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October 2, 2008

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Developing a Unified Intercarrier Compensation Regime, CC Docket
No. 01-92; IP-Enabled Services, WC Docket No. 04-36**

EX PARTE

Dear Ms. Dortch:

We write on behalf of NuVox to highlight NuVox's concerns with the unitary terminating access rate of \$0.0007 per minute-of-use proposed by Verizon, AT&T and others.¹ While NuVox supports the Federal Communications Commission's ("Commission" or "FCC") adoption of a uniform rate for traffic termination that would apply to all traffic within the federal jurisdiction at the end of a set transition period, the rate selected must be legally sustainable and competitively neutral. The Commission must reject the \$0.0007 rate currently proposed because it is neither.

Simply put, the Verizon Plan's \$0.0007 rate is too low – it is far below cost and it stands to displace far too much revenue, leaving competitive LECs worse off than other LECs. As the attached Declaration of Michael Starkey demonstrates, research performed by independent consultants at QSI indicates that cost-based voice termination rates approved by state commissions average (using a raw or weighted average) about 4 times greater than the current \$0.0007 rate set by the FCC for ISP-bound traffic. Likewise, QSI's analysis indicates

¹ *E.g.*, Verizon Proposal for Intercarrier Compensation Reform, attached to Letter from Susanne Guyer, Senior Vice President, Verizon, to Kevin Martin, Chairman, Federal Communications Commission, CC Docket No. 01-92 (filed Sept. 12, 2008) ("Verizon Plan").

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that even under the most favorable network conditions, NuVox cannot originate or terminate switched voice traffic at costs equal to or less than \$0.0007 per minute. As Mr. Starkey explains in his declaration, NuVox's costs on a per minute-of-use basis are many times higher than \$0.0007 per minute, using a TSLRIC-compliant methodology and factoring in the latest IP soft-switch technology.

Moreover, as proposed, the FCC's imposition of the \$0.0007 rate on NuVox and likely other similarly situated carriers would violate the Takings Clause of the Fifth Amendment to the United States Constitution. It is not enough for the Commission to simply instruct NuVox and other similarly situated competitors to recover the remainder of their costs and lost revenues by raising rates to end user customers. If, as proposed by Verizon, these carriers are barred from partaking in a "Recovery Mechanism" designed to offset lost access revenues not recoverable directly from end users, the result will be unlawful.

In addition to these legal infirmities, the imposition of below-cost rates in the manner proposed by Verizon and others would deviate from sound public policy by (a) tilting the competitive "playing field" further in favor of incumbent LECs, especially the Bells and their wireless affiliates, (b) discouraging investment in robust alternative networks by facilities-based competitors, and (c) creating new arbitrage opportunities.

For all of these reasons, explained more fully below and as supported by the attached Declaration of Michael Starkey, NuVox respectfully submits that a unified federal terminating access rate cannot be set lawfully at \$0.0007, as proposed by Verizon and others.

I. The Proposed Unified Termination Rate of \$0.0007 Does Not Reflect the Cost of Terminating Traffic

Those that propose the \$0.0007 unified termination rate tell the Commission to chose this rate not based on the merits of the rate itself but rather because, in their estimation, the Commission can.

➤ **The ISP Remand Order Does Not Provide a Legally Sustainable Basis for Imposing a Unified \$0.0007 Termination Rate**

Verizon asserts that the Commission can adopt the \$0.0007 rate because "\$0.0007 per minute is *already* the default rate" set by the Commission for ISP-bound traffic. *See Verizon Sept. 19 Ex Parte* at 30. This assertion provides no justification for choosing the \$0.0007 rate. Yet, Verizon avers that "[e]xtending that rate to the remaining traffic routed over the PSTN provides the most straightforward way for the Commission to reach a single, unified intercarrier compensation regime." *Id.* at 31. While doing so would in a sense be straightforward, the reasoning to support such action would be circular. Indeed, it is difficult to perceive how making

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a decision simply on the basis of it being “straightforward” would satisfy the Commission’s obligation to engage in rational decision making.

Perhaps realizing that its proffered justification provides no sound legal justification, Verizon reminds the Commission of why it adopted the \$0.0007 rate for the termination of ISP-bound traffic. *Id.* (citing *ISP Remand Order* ¶ 85). According to Verizon, the Commission’s *ISP Remand Order* establishes that “evidence that ‘carriers have agreed to rates’ for intercarrier compensation – through voluntary, arms-length negotiations – constitutes substantial evidence that the rates are just and reasonable.” *Id.* (citing *ISP Remand Order* ¶ 85). That order, however, was remanded, *WorldCom v. FCC*, 288 F.3d 429 (D.C. Cir. 2002), and is the subject of a recent DC Circuit writ of mandamus. *In re: Core Communications, Inc.*, No. 07-1446 (D.C. Cir. July 8, 2008). Building on this uncertain premise, Verizon states that the “\$0.0007 rate is consistent with [its] more recent experience in negotiating agreements with competing LECs.” *Id.* Of course it is; if the Commission orders rates to go down, barring a court injunction, rates will go down and those rates will be included in interconnection agreements. Nevertheless, Verizon asserts that this is evidence of a “continued” trend toward lower intercarrier compensation rates.² The value of this assertion is doubtful, however, as Verizon fails to acknowledge or account for all of the “voluntarily negotiated” interconnection agreements that incorporate state commission-set TELRIC reciprocal compensation rates that are higher – typically multiple times higher – than the \$0.0007 rate.

➤ **Verizon’s Voluntary Interexchange Traffic Agreements
Indicate that \$0.0007 Is Not the Market Rate**

Notably, Verizon fails to disclose examples more on point. One such example appears in a filing made on behalf of a rural competitive LEC on September 26, 2008 in WC Docket No. 07-135. A copy of that filing is attached hereto. As explained in the filing, Verizon agreed to pay a going-forward single composite terminating access rate of \$0.014 per minute-of-use. *OmniTel Sept. 26 Ex Parte* at 4. This rate is **20 times higher** than the \$0.0007 rate and, as OmniTel explains, is “comparable to typical access charges (inclusive of local switching, transport, and other applicable charges) that apply currently for carriers entitled to bill at NECA

² The Commission should question seriously the need for it to order a result that Verizon avers is occurring naturally in the market. In this case, the repeated occurrences of voluntary agreements for the \$0.0007 rate can hardly be considered a natural phenomenon. Verizon’s ability to negotiate “voluntarily” for the \$0.0007 rate has much to do with the Commission’s *ISP Remand Order*, Verizon’s ability to extract concessions from carriers from which it withholds significant amounts of intercarrier compensation through the use of self help, and the desire of many carriers to avoid litigation simply by agreeing to whatever Verizon proposes. Thus, Verizon’s categorical characterization of such agreements as being voluntary ignores the reality that the result is often unavoidable and is sometimes forced.

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Band 1 rates.” *Id.* (footnote omitted). Moreover, as OmniTel further explains, “[t]his rate is based on expectations from both Verizon and [OmniTel] that OmniTel will continue provide services to entities like conference call companies and chat line companies, whose own customers generate large amounts of interexchange traffic terminated by OmniTel.” *Id.* Thus, the \$0.014 rate is a rate that Verizon voluntarily agreed to apply to large volume terminating access providers engaged in what it characterizes as “traffic pumping.”³

➤ **Commission Precedent Does Not Support
Adoption of the \$0.0007 Rate**

Verizon also attempts to support the \$0.0007 rate by pointing to a pair of orders in which the Commission, in other contexts, has addressed what constitutes a just and reasonable rate. *See Verizon Sept. 19 Ex Parte* at 31 (citing the Commission’s *ACS Forbearance Order* and *Triennial Review Order*). According to Verizon, these two orders stand for the proposition that “rates set through market-based negotiations are just and reasonable rates.” *Id.* Verizon does not and cannot explain how this rationale translates into a scenario wherein the Commission borrows such a rate and imposes it involuntarily on all carriers and for all types of traffic. The very fact that Verizon’s rate proposal comes coupled with a “Recovery Mechanism” and is designed to be revenue neutral for some (but not all) carriers provides all the evidence needed for the Commission to conclude that it could not rationally pronounce the rate to be just and reasonable for all carriers and for all traffic.

➤ **Case Law Does Not Support
Adoption of the \$0.0007 Rate**

The court cases Verizon relies on provide no more support for the \$0.0007 rate. *See Verizon Sept. 19 Ex Parte* at 31 (citing *Illinois Public Telecomms.*, *Elizabethtown Gas* and *Morgan Stanley*). These cases rely on rates “set out in a freely negotiated ... contract,” and do not suggest that a rate retains its just and reasonable nature when, at Verizon’s behest, it is plucked from a contract by the Commission and imposed involuntarily on all.

➤ **Verizon’s “Experiences” Do Not Support
Adoption of the \$0.0007 Rate**

Verizon rounds-out its case for the \$0.0007 rate with two additional assertions regarding its own corporate experience with the rate. First, Verizon claims that “Verizon

³ In its filing, OmniTel makes clear that its position is that the Commission need not take any action in 07-135, but that, if it does, the NECA-Band 1-like \$0.014 terminating access rate agreed to by Verizon could serve as a just and reasonable rate when traffic exceeds 2,000 minutes of use per month for each access line. *Id.* The just and reasonable rate would be higher for lower volumes of traffic.

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Wireless's experience is that most **intraMTA** traffic is now exchanged pursuant to the rate caps." *Verizon Sept. 19 Ex Parte* at 30 (emphasis added). The meaning and importance of this statement is anything but clear. A statement that vague has no probative value whatsoever. Similarly, Verizon claims that its "experience is that a substantial portion of wireline **intraexchange** traffic is being terminated at rates at or below the rate caps." *Verizon Sept. 19 Ex Parte* at 30 (emphasis added). This similarly vague statement is also of little evidentiary value. Indeed, these statements appear to be significant not for what they say but rather for what they fail to say. Verizon evidently is **unable** to state that (a) Verizon Wireless exchanges **any interMTA traffic** at the \$0.0007 rate, or (b) Verizon exchanges **any wireline interexchange traffic** at the \$0.0007 rate. Moreover, it appears to be the case that Verizon exchanges **most wireline intraexchange traffic** at rates that exceed the \$0.0007 rate. In sum, Verizon provides no evidence whatsoever that it or its wireless affiliate exchange any meaningful amount of interexchange or interMTA traffic at the proposed \$0.0007 rate.

➤ **Sprint's Analysis and Data Are Flawed**

Additional efforts to bolster the \$0.0007 rate proposal also come up short. Sprint's recent filing suggesting that the \$0.0007 rate is more generous than the weighted average of state commission ordered reciprocal compensation rates is fatally flawed. *Sprint Sept. 26 Ex Parte* at 1 and *Sprint Sept. 26 Ex Parte White Paper* at 1-3. First, Sprint ignores the tandem switching component of reciprocal compensation, an omission which is unjustified for a number of reasons, not the least of which being that it is built into Verizon's proposed \$0.0007 rate. Second, Sprint's filing is not based on a reliable survey of state commission ordered TELRIC compliant reciprocal compensation rates. In a number of states, for example, Sprint incorporated UNE local switching rather than reciprocal compensation rates in its analysis. In some states, the information used by Sprint is simply outdated. In any event, a more reliable analysis based upon more accurate information is provided herewith in the Declaration of Michael Starkey and the supporting materials attached thereto. As indicated above, Mr. Starkey's analysis shows that the weighted average of state reciprocal compensation rates is \$0.0027 – a rate that is about 4 times greater than the \$0.0007 rate.

➤ **The \$0.0007 Rate Does Not Represent the Cost of Terminating Interexchange Traffic on an Advanced Network**

Finally, it is important to note that the \$0.0007 rate does not reflect NuVox's cost of terminating traffic.⁴ QSI's analysis indicates that even under the most favorable network

⁴ Other filers have expressed a similar view. *See NTCA Sept. 18 Ex Parte* at 1 and 4-5 (asserting that imposition of the \$0.0007 rate on rate of return carriers would violate the Takings Clause of the Fifth Amendment to the Constitution); *Windstream Sept. 24 Ex Parte* at 2 (arguing that the \$0.0007 rate would result in a windfall for current access payers and undermine the deployment of broadband in rural areas); *NECA Sept. 11 Ex*

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conditions, NuVox cannot originate or terminate switched voice traffic at costs equal to or less than \$0.0007 per minute. As Mr. Starkey explains in his declaration, NuVox's costs on a per minute-of-use basis are many times higher than \$0.0007 per minute, using a TSLRIC-compliant methodology and factoring in the latest IP soft-switch technology.

II. As Proposed, the FCC's Imposition of the \$0.0007 Rate on NuVox and Other Similarly Situated Carriers Would Be Unlawful

In defense of its uniform \$0.0007 termination rate proposal, Verizon also claims that "there is no merit to NTCA's claim that the Takings Clause in the Fifth Amendment to the Constitution prevents the Commission from establishing a \$0.0007 per minute rate for all traffic that is routed to the PSTN." *Verizon Sept. 19 Ex Parte* at 33-34 (citing *NCTA Aug. 22 Ex Parte* at 2, 3-4). Verizon cites *Hope Natural Gas*⁵, in support of its contention. Yet, it is the teaching of this seminal case that shows that the imposition of the \$0.0007 rate, as proposed, would violate the Takings Clause of the Fifth Amendment with respect to NuVox and other competitive LECs.

Parte at 1 ("Filed NECA data shows proposed \$.0007/minute rate doesn't even cover poll members' cost of billing, let alone network costs...Mandatory below-cost rates are likely to result in network abuse, new forms of uneconomic arbitrage, and unnecessary legal challenges"); *CenturyTel Sept. 19 Ex Parte* at 4 ("Using an unrealistic national rate, such as \$.0007, is below cost, fails to protect rural consumers, and displaces costs on other consumers").

⁵ *Federal Power Commission v. Hope Natural Gas Co. City of Cleveland*, 320 U.S. 591, 602 (1944).

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➤ **Imposition of the \$0.0007 Rate on NuVox and Other
Similarly Situated Carriers Would Violate the
Takings Clause of the Fifth Amendment**

Under *Hope Natural Gas* and related Supreme Court cases, the FCC's imposition of the \$0.0007 rate on NuVox and other similarly situated carriers would violate the Takings Clause of the Fifth Amendment because imposition of the rate, as proposed, would be confiscatory and not just and reasonable. In *Hope Natural Gas*, the Supreme Court explained that whether a rate is "confiscatory" or "just and reasonable" is evaluated in light of the effect of a rate setting decision in its entirety. *Hope Natural Gas*, 320 U.S. at 602. The Court explained that when considering an appeal of a rate order, the Court considers

whether that order 'viewed in its entirety' meets the requirements of the [relevant underlying] Act. . . . Under the statutory standard of 'just and reasonable' it is the result reached not the method employed which is controlling. . . . It is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the [relevant underlying] Act is at an end. The fact that the methods employed to reach that result may contain infirmities is not then important.

Id. The Court provided additional guidance for considering whether a rate is just and reasonable in explaining that an investor

has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. . . . By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

Id. at 603. Thus, in determining whether the \$0.0007 rate would be confiscatory, the Commission – and any Court that might review the Commission's order – would assess the impact of the order as a whole on carriers such as NuVox. Here, the imposition of the \$0.0007 terminating access rate in combination with the exclusion of competitive LECs from the Recovery Mechanism would be confiscatory with respect to NuVox and its investors. In such a scenario, NuVox would be among a class of LECs excluded from make-whole subsidy

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mechanisms designed to cover access charge revenue reductions that cannot be recovered directly from end users. Like most competitors, NuVox directly competes on price and, for that reason, NuVox cannot be expected to recover from its end user customers more of the access revenue loss that would be created by the Commission's adoption of a uniform \$0.0007 termination rate than the incumbent LECs, with which NuVox competes, collect from their end user customers. The resulting disparity would certainly put NuVox at a tremendous competitive disadvantage vis-à-vis the incumbent LECs and would threaten NuVox's ability to attract capital and would deprive NuVox of revenues needed not only to finance existing operations but also for broadband and other facilities investments. Accordingly, adoption of the \$0.0007 rate in the manner proposed would threaten the "financial integrity" of NuVox and deprive its investors of commensurate returns.

In sum, it is not enough for the Commission to simply instruct NuVox and other similarly situated competitors to recover the remainder of their costs and lost revenues by raising rates to end user customers. If these carriers are barred from partaking in subsidy mechanisms designed to offset lost access revenues not recoverable directly from end users, the result will violate the Takings Clause of the Fifth Amendment.

**III. Imposition of Below-Cost Rates in the Manner Proposed
Would Deviate from Sound Public Policy**

The public policy justifications Verizon offers in support of a uniform \$0.0007 are no more compelling than its legal arguments.

➤ **Adoption of the Below-Cost \$0.0007 Rate Will Create More Arbitrage Opportunities than Would Adoption of a Cost-Based Rate**

Verizon claims that applying the \$0.0007 per minute rate to all traffic on the PSTN will limit arbitrage. *Verizon Sept. 19 Ex Parte* at 32. But this would be true with respect to any uniform rate. Service providers no longer would have the same incentive to disguise traffic because such efforts would not change the applicable rate. *See id.* The point Verizon misses, however, is that the Commission would provide **more** opportunities for arbitrage by ordering the dramatically below-cost \$0.0007 termination rate than it would if it selected a uniform termination rate that more closely reflected costs. Any rate set below cost will stimulate demand artificially. Simply put, below-cost termination rates would (a) create artificial incentives to seek out customers that generate disproportionate amounts of outbound traffic and (b) reward carriers such as IXC's and over-the-top VoIP providers that do not invest in local network facilities and can free ride the networks built by others.

Verizon also asserts that "arbitrage opportunities that depend upon high, one-way volumes of traffic – such as traffic pumping and serving ISPs exclusively – become uneconomical when the per minute rate for such calls is \$0.0007 or less." *Id.* Verizon provides

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no basis for this assertion. Instead, Verizon provides a mathematical exposition comparing the impact of a \$0.0007 per minute rate and a \$0.125 per minute rate. *Id.* at 32-33. But such a comparison is meaningless without reference to cost. Only when revenues are compared to costs is it possible to determine whether it is uneconomical to serve certain types of customers.

➤ **Adoption of the Below-Cost \$0.0007 Rate Will Discourage Investment in Broadband and Competitive Networks**

In addition to ignoring the inescapable conclusion that setting a uniform termination rate at a below-cost rate will create more arbitrage opportunities than would the setting of a uniform rate at cost-based levels, Verizon ignores other ways in which its \$0.0007 rate proposal flies in the face of sound public policy. Mandating below-cost termination rates discourages investment in robust alternative networks by NuVox and other similarly situated carriers.⁶ When carriers are unable to recover the cost of providing service, they have no incentive to invest in the facilities needed to provide the service. For years, the Commission has pursued a policy of fostering investment in competitive facilities.⁷ Verizon offers no compelling reason for the Commission to reverse course.

➤ **Adoption of the Below-Cost \$0.0007 Rate Will Provide IXC's and Over-the-Top Interconnected VoIP Providers with a Free Ride**

Verizon's proposal seemingly is based on the false supposition that all participants have invested in local terminating networks, and thus will share equally in the burden of terminating traffic. But that simply is not true. Many IXCs seek to terminate large volumes of interexchange traffic but provide little or no local termination services of their own. And over-the-top interconnected VoIP providers seek to terminate traffic at the lowest cost while investing nothing in providing terminating facilities for calls inbound to their customers. Providing these industry segments with a "free ride" sends the wrong economic signals and is contrary to sound public policy.

⁶ Cf. *Windstream Sept. 23 Ex Parte* at 1 (stating that "[m]aterial reductions in terminating [access] revenues will actually make it *more* difficult, not less... to invest in additional broadband deployment").

⁷ E.g., *Promotion of Competitive Networks in Local Telecommunications Markets*, 14 FCC Rcd 12673, ¶ 1 (1999) (initiating a rulemaking "to consider certain actions to facilitate the development of competitive telecommunications networks"); *Developing a Unified Intercarrier Compensation Regime*, Further Notice of Proposed Rulemaking, 20 FCC Rcd 4685, ¶ 31 (2005) (stating that "one of the Commission's most important policies is to promote facilities-based competition").

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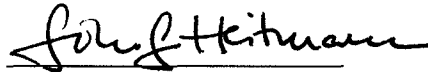
➤ **Adoption of the Verizon Plan Will Tilt the Competitive
Playing Field Further In Favor of Incumbent LECs**

Finally, the Commission long has sought to level the playing field for both inter- and intramodal competitors.⁸ Imposition of the Verizon Plan, including the Plan's uniform \$0.0007 termination rate and incumbent LEC-only Recovery Mechanism, will tilt the playing field decidedly in favor of incumbent LECs and leaves competitive LECs at a distinct competitive disadvantage. Competitive LECs cannot be expected to compete effectively for customers from whom they must attempt to recover costs that their incumbent LEC competitors can recover from a slush fund financed in part by competitive LEC contributions.

Conclusion

For all of the forgoing reasons, as supported by the attached Declaration of Michael Starkey, NuVox respectfully submits that a unified federal terminating access rate cannot be set lawfully at the \$0.0007 rate proposed by Verizon and others.

Respectfully submitted,



Brad E. Mutschelknaus
Genevieve Morelli
John J. Heitmann
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3050 K Street, N.W.
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cc: Nicholas G. Alexander
Amy Bender
Scott Bergmann

⁸ See, e.g., *Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, 20 FCC Rcd 14853, ¶ 3 (2005) (seeking to “promote the availability of competitive broadband Internet access services to consumers, via multiple platforms, while ensuring adequate incentives are in place to encourage the deployment and innovation of broadband platforms consistent with our obligations and mandates under the Act”).

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Greg Orlando
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Matt Warner
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Greg Guice
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Randy Clarke

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Developing a Unified Inter-carrier)	CC Docket No. 01-92
Compensation Regime)	
)	
IP-Enabled Services)	WC Docket No. 04-36
)	

October 2, 2008

DECLARATION OF MICHAEL STARKEY

I, Michael Starkey, on oath, state and depose as follows:

I. INTRODUCTION

1. My name is Michael Starkey. I currently serve as the President of QSI Consulting, Inc. (hereafter "QSI"). I have been asked by NuVox Communications ("NuVox") to comment on two issues related to inter-carrier compensation proposals currently being considered by the Federal Communications Commission ("FCC"). First, I have been asked to provide the results of QSI research aimed at gathering cost-based rates currently approved by state utility commissions for traffic passed between interconnected carriers pursuant to 47 C.F.R. §51.711. Second, I have been asked to provide preliminary results from a cost model QSI constructed on NuVox's behalf to evaluate costs it incurs in originating and/or terminating switched voice traffic.

2. State commissions in fulfilling their responsibility to review and approve cost-based, symmetrical reciprocal compensation rates for certified local exchange carriers to use in terminating local traffic have almost unanimously approved rates substantially in excess of \$0.0007. QSI's research indicates that cost-based voice termination rates approved by state commissions average about 4 times the current \$0.0007 rate set by the FCC for Internet Service Provider ("ISP")-bound traffic.

Likewise, QSI's analysis indicates that even under the most favorable network conditions, NuVox cannot originate or terminate switched voice traffic at costs equal to or less than \$0.0007 per minute. Indeed, even in its most cost-favorable market NuVox incurs direct costs equal to at least [BEGIN

PROPRIETARY

END PROPRIETARY] The table below provides a reasonable estimate of the costs NuVox incurs on a per-minute-of-use ("MOU") basis to provide switched voice services (including, among others, switched access, local calling and reciprocal local traffic-exchange):[BEGIN PROPRIETARY

END PROPRIETARY]

1

2 **II. BACKGROUND**

3

4 4. I received a Bachelor of Science degree in Economics from Missouri State
5 University in 1991. I have been a consultant specializing in
6 telecommunications since I co-founded Competitive Strategies Group, Inc. in
7 1996. I later co-founded QSI Consulting, Inc. ("QSI") in 1999 and have been
8 employed as its President ever since. Prior to 1996, I was employed by the
9 Maryland Public Service Commission as the Director of its
10 Telecommunications Division. My responsibilities included managing the
11 Commission's Telecommunications Staff of engineers, economists, tariff
12 analysts and other specialists tasked as the Commission's primary advisors on
13 all issues related to telecommunications. I joined the Maryland Commission
14 staff in 1994 from the Illinois Commerce Commission where I served as the
15 Office of Policy and Planning's Senior Telecommunications Analyst. I began
16 my professional career with the Missouri Public Service Commission as a
17 Senior Economist within the Commission's Telecommunications Department,
18 Utility Operations Division. Since 1996 I have assisted more than one
19 hundred individual telecommunications clients including local exchange
20 carriers ("LECs"), interexchange carriers ("IXCs"), ISPs, equipment
21 manufactures, state commissions and public advocates. Attached as Exhibit 1
22 hereto is my curriculum vitae which provides more detailed information
23 regarding my background.

1 5. QSI is a consulting firm specializing in the areas of economic analysis and
2 regulated industries. QSI assists clients in numerous areas within the
3 telecommunications industry ranging from Interconnection Agreement
4 (“ICA”) negotiations, technical support, complex econometric analysis and
5 public policy. A large portion of QSI’s core practice focuses on cost analysis
6 within the communications industry. For example, QSI regularly builds cost
7 studies for its clients and likewise critiques, where necessary, cost studies
8 filed by other carriers. As an example, QSI is often hired by state public
9 utility commissions to evaluate cost studies filed by various carriers.¹ Over
10 the past 17 years I have personally been involved in more than 100 projects
11 where I was tasked with reviewing costs incurred by various
12 telecommunications companies as they provision telecommunications
13 services. My prior analysis includes reviewing costs incurred by every major
14 incumbent LEC (“ILEC”) in the nation, competitive LECs (“CLECs”),
15 wireless carriers, cable television/telephone companies and others.²
16
17
18

¹ As an example, I am currently assigned as the Project Manager for QSI’s involvement in the Public Service Commission of the District of Columbia’s Docket No. 1040-T-62 wherein QSI has been tasked with reviewing cost studies filed by Verizon D.C. in support of various E911 rates. QSI has provided this type of, or similar, cost analysis assistance to approximately 10 different state utility commissions in the recent past.

² I have personally been involved (and QSI Consulting, Inc. has been involved as a group) in reviewing cost analysis submitted by every major incumbent local exchange carrier in the nation including AT&T and its subsidiaries, Qwest, Verizon, Embarq, Centurytel, etc. I have also been privy to substantial cost information compiled by QSI’s clients in the form of formal cost studies and informal cost analysis.

1 **III. STATE APPROVED LOCAL TERMINATION RATES**

2
3 6. QSI participates regularly in state public utility commission proceedings
4 aimed at establishing cost based rates for unbundled network elements
5 (“UNE”) and interconnection services offered by ILECs. Relying upon our
6 familiarity with state-approved cost-based rates, NuVox asked us to compile
7 rates from various state utility commissions in order to better understand the
8 voice-related costs per MOU currently approved by state commissions for
9 local traffic termination. The results of our analysis are included in
10 Attachment 1 to this declaration. Our analysis indicates that state
11 commissions have, on a near unanimous basis, approved cost-based traffic
12 termination rates well in excess of \$0.0007 per MOU. Indeed, the simple
13 average of approved rates across approximately 40 jurisdictions equals
14 \$0.0029 per minute, more than 4 times \$0.0007. The weighed average of
15 those rates (using relative access lines as the weighting mechanism), equals
16 \$0.0027 per minute.³

17 **IV. NUVOX COST STUDY**

18
19 7. In January 2008 QSI was engaged by NuVox to build an economic model
20 capable of estimating costs it incurs in supporting switched voice services.
21 After nearly 5 months of direct interaction with NuVox’s engineers,
22 accountants and financial experts, QSI delivered to NuVox its Network Usage
23 Cost Assessment (“NUCA”) tool. NUCA is a costing tool developed by QSI
24 for purposes of identifying usage-related costs incurred by its

³ See Exhibit 2 attached hereto.

1 telecommunications clients. NUCA adheres to the Total Service Long Run
2 Incremental Cost (“TSLRIC”) methodology discussed by the FCC in its *Local*
3 *Competition Order*.⁴ NUCA is not a “proxy” cost model which aggregates
4 broad, industry-wide metrics for purposes of identifying costs. Instead,
5 NUCA is a series of spreadsheet tools used by QSI’s experts to gather
6 substantial company-specific data for purposes of developing highly
7 individualized company-specific costs. QSI’s experts work with company
8 engineers, accountants and other company subject matter experts (“SME”)
9 over a number of months to gather substantial data related to:

- 10 (a) the network architecture employed by the company,
- 11 (b) specifics related to its traffic-flow and the manner by which
- 12 transport and switching capacity are employed to meet customer
- 13 demands, as well as,
- 14 (c) the individual resources required to build, maintain, manage
- 15 and grow its network.

16 8. The general results of the NUCA model when populated with NuVox specific
17 data are provided in the table above. While costs do vary by market based
18 upon numerous variables (including demand characteristics, network
19 concentration and other factors), the results above provide a good indication
20 of NuVox’s per-MOU costs, on average, across its region specific to any type

⁴ See *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, 15509, ¶¶ 630-740 (1996) (*Local Competition Order*), aff’d in part and vacated in part sub nom., *Competitive Telecommunications Ass’n v. FCC*, 117 F.3d 1068 (8th Cir. 1997) (*CompTel v. FCC*) and *Iowa Utils. Bd. v. FCC*, 120 F.3d 753 (8th Cir. 1997) (*Iowa Utils. Bd. v. FCC*), aff’d in part and remanded, *AT&T v. Iowa Utils. Bd.*, 119 S. Ct. 721 (1999); Order on Reconsideration, 11 FCC Rcd 13042 (1996), Second Order on Reconsideration, 11 FCC Rcd 19738 (1996), Third Order on Reconsideration and Further Notice of Proposed Rulemaking, 12 FCC Rcd 12460 (1997), further recons. pending.

1 of switched voice service (local, intra-state, inter-state, switched access, etc.).

2 After having reviewed NuVox's costs in detail, I can state with certainty that a
3 rate equal to \$0.0007 would fall far short of properly compensating NuVox
4 for the capital it has deployed and the expenses it incurs in transporting and
5 switching voice-related services.

6 9. It is worth noting that NUCA captures costs associated with the "soft-switch"
7 platform already substantially deployed by NuVox. While it also captures
8 circuit-switched investments where those facilities represent the most efficient
9 delivery vehicle, the NUCA results identified above are heavily weighted
10 toward NuVox's IP-enabled platform. I mention that only because I believe
11 many regulatory decision makers hold the opinion that as carriers invest more
12 heavily in IP-enabled switching platforms, the costs of carrying voice traffic
13 asymptotically approach \$0. Our extensive analysis on the part of NuVox and
14 numerous other carriers belies that opinion. Indeed, after all costs necessary
15 to support voice traffic on an IP-enabled network are taken into consideration
16 (*i.e.*, session border controllers, signaling and feature servers, monitoring
17 probes, etc.), costs per MOU certainly begin to fall, but not by the orders of
18 magnitude I believe many anticipate. With that in mind, even as NuVox
19 continues to expand its IP-enabled switching platform, it will not achieve per
20 MOU costs equal to, or less than, \$0.0007 any time in the foreseeable future.

1

2 **V. EXPERT'S STATEMENT**

3

4 10. I declare that I created this declaration with the assistance of persons under
5 my direct supervision and that, to the best of my knowledge, the facts
6 represented herein are true and accurate.

7

8

9

10

_____

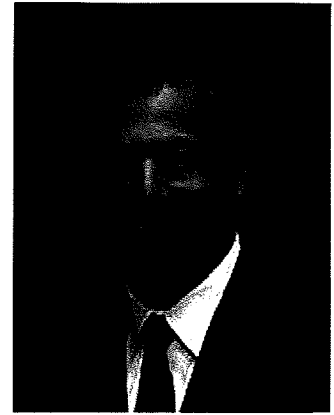
11

12 Michael Starkey

Michael Starkey

**President
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Biography

Mr. Starkey currently serves as the President and Founding Partner of QSI Consulting, Inc. QSI is a consulting firm concentrating primarily on regulated markets including the telecommunications industry. QSI assists its clients in the areas of regulatory policy, business strategy, financial and econometric analysis and inter-carrier issues involving rates and charges assessed by incumbent carriers. Prior to founding QSI Mr. Starkey served as the Senior Vice President of Telecommunications Services at Competitive Strategies Group, Ltd. in Chicago, Illinois.

Mr. Starkey's consulting career began in 1996 shortly before the passage of the Telecommunications Act of 1996. Since that time, Mr. Starkey has advised some of the world's largest companies (e.g., AT&T, MCI, Time Warner, Covad Communications, Comcast, Siemens Corporation, etc.) on a broad spectrum of issues including the most effective manner by which to interconnect competing networks. Mr. Starkey's experience spans the landscape of competitive telephony including interconnection agreement negotiations, mediation, arbitration, and strategies aimed at maximizing new technology. Mr. Starkey's experience is often called upon as an expert witness. Mr. Starkey has since 1991 provided testimony in greater than 150 proceedings before approximately 40 state commissions, the FCC and courts of varying jurisdiction.

Mr. Starkey's expertise with competitive communications issues is rooted not only in his consulting experience, but also in his previous employment. Mr. Starkey has worked for the Missouri, Illinois and Maryland public utility commissions, including his most recent position as Director of the Maryland Commission's Telecommunications Division (and as the Senior Policy Analyst for the Illinois Commission's Office of Policy and Planning and Senior Economist with the Missouri Public Service Commission).

Educational Background

Bachelor of Science, Economics, International Marketing
Missouri State University, Cum Laude Honor Graduate

Graduate Coursework, Finance
Lincoln University

Numerous telecommunications industry training courses



Michael Starkey

Professional Experience

Competitive Strategies Group

1996 – 1999

Senior Vice President

Managing Director of Telecommunications
Services

Maryland Public Service Commission

1994-1995

Director

Telecommunications Division

Illinois Commerce Commission

1993 – 1994

Senior Policy Analyst

Office of Policy and Planning

Missouri Public Service Commission

1991-1993

Senior Economist

Utility Operations Division –
Telecommunications

Professional Activities

Missouri Universal Service Fund

Serve as the Co-Administrator chosen by the Missouri Public Service Commission to administer its intra-state Universal Service Fund (“USF”). Interact with Missouri’s telecommunications carriers and the Missouri Universal Service Board (i.e., the Commission and Public Counsel) to collect payments, fund requested disbursements and establish the overarching collection percentage applied to all Missouri, intra-state telecommunications revenues.

Facilitator, *C³ Coalition* (Competitive Carrier Coalition - Ameritech Region). Facilitate industry organization representing 10-15 competitive carriers seeking to share information and “best practices” with respect to obtaining effective interconnection, UNEs and resold services from SBC/Ameritech.

Former member of the Missouri Public Service Commission’s Task Force on FCC Docket Nos. 91-141 and 91-213 regarding expanded interconnection, collocation, and access transport restructure

Former member of the AT&T / Missouri Commission Staff, *Total Quality Management Forum* responsible for improving and streamlining the regulatory process for competitive carriers

Former member of the Missouri, Oklahoma, Kansas, Texas, and Arkansas five state Southwestern Bell Open Network Architecture (ONA) Oversight Conference

Former delegate to the Illinois, Michigan, Indiana, Ohio, and Wisconsin Ameritech Regional Regulatory Conference (ARRC) charged with the responsibility of analyzing Ameritech’s “Customers First” local exchange competitive framework for formulation of recommendations to the FCC and the U.S. Department of Justice

Former Co-Chairman of the Maryland Local Number Portability Industry Consortium responsible for developing and implementing a permanent database number portability solution

Michael Starkey

Former member of the Illinois Local Number Portability Industry Consortium responsible for developing and implementing a permanent database number portability solution

Expert Testimony – Profile

The information below is Mr. Starkey's best effort to identify all proceedings wherein he has either provided pre-filed written testimony, an expert report or provided live testimony.

Before the Public Utilities Commission of the State of Colorado

Docket No. 06F-124T

McLeodUSA Telecommunications Services, Inc., v. Qwest Corporation

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Public Utilities Commission of the State of California

Case No. 06-03-023

Pacific Bell Telephone Company d/b/a AT&T California v. Cbeyond Communications, LLC (U 6446 C) and Covad Communications Company (U 5752 C)

On behalf of Cbeyond Communications LLC, Covad Communications Company, Mpower Communications, XO Communications Services, Inc. and Telepacific Communications

Before the Arizona Corporation Commission

Docket No. T-03267A-06-0105

Docket No. T-01051B-06-0105

In the Matter of McLeodUSA Telecommunications Services, Inc. v. Qwest Corporation

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Washington Utilities and Transportation Commission

Docket No. UT-063013

McLeodUSA Telecommunications Services, Inc., v. Qwest Corporation

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Public Service Commission of Utah

Docket No. 06-2249-01

In the Matter of the Complaint of McLeodUSA Telecommunications Services, Inc., against Qwest Corporation for Enforcement of Commission-Approved Interconnection Agreement

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Iowa Utilities Board, Department of Commerce

Docket No. FCU-06-20

McLeodUSA Telecommunications Services, Inc. v. Qwest Communications

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Illinois Commerce Commission

Docket No. 05-0575

Illinois Bell Telephone Company Compliance with Requirements of 13.505.1 of the Public Utilities Act (Payphone Rates)

On behalf of The Illinois Public Telecommunications Association

Before the Public Utilities Commission of the State of California

Application 05-07-024

Application of Pacific Bell Telephone Company, d/b/a SBC California for Generic Proceeding to Implement Changes in Federal Unbundling Rules Under Sections 251 and 252 of the Telecommunications Act of 1996

Michael Starkey

On behalf of MCIMetro Access Transmission Services, LLC, Covad Communications Company and Arrival Communications, Inc.

Before the Public Service Commission of Wisconsin

Docket No. 6720-TI-108

Investigation of the Access Line Rates of Wisconsin Bell, Inc., d/b/a SBC Wisconsin, that Apply to Private Payphone Providers

On behalf of The Wisconsin Pay Telephone Association

Before the Public Utilities Commission of the State of California

Docket No. A.05-05-027

Application by Pacific Bell Telephone Company d/b/a SBC California (U 1001 C) for Arbitration of an Interconnection Agreement with MCIMetro Access Transmission Services LLC (U 5253 C) Pursuant to Section 252(b) of the Telecommunications Act of 1996.

On behalf of MCIMetro Access Transmission Services, LLC

Before the Michigan Public Service Commission

Case No. U-14447

In the matter, on the Commission's own motion to commence a collaborative proceeding to monitor and facilitate implementation of Accessible Letters issued by SBC Michigan and Verizon

On behalf of Covad Communications Company.

Before the Public Utilities Commission of Ohio

Case No. 05-887-TP-UNC

In the matter of the Establishment of Terms and Conditions of an Interconnection Agreement Amendment Pursuant To The Federal Communications Commission's Triennial Review Order and Its Order on Remand.

On behalf of MCIMetro Access Transmission Services, LLC

Before the Public Service Commission of Wisconsin

Docket No. 05-MA-138

Petition of MCIMetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. for Arbitration of Interconnection Terms and Conditions and Related Arrangements with Wisconsin Bell, Inc., d/b/a SBC Wisconsin Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC and MCI Worldcom Communications, Inc.

Indiana Utility Regulatory Commission

Cause No. 42893-INT 01

Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana Petition for Arbitration of Interconnection Rates Terms and Conditions and Related Arrangements with MCIMetro Access Transmission Services LLC, Intermedia Communications LLC, and MCI Worldcom Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC, Intermedia Communications, LLC and MCI Worldcom Communications, Inc.

Before the Illinois Commerce Commission

Docket No. 05-0442

Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 with Illinois Bell Telephone Company to Amend Existing Interconnection Agreements to Incorporate the Triennial Review Order and the Triennial Review Remand Order

On behalf of Access One, Inc.; Broadview Networks, Inc.; BullsEye Telecom, Inc.; Cbeyond Communications, LLC; USXchange of Illinois, LLC, d/b/a ChoiceOne Communications; CIMCO Communications, Inc.; First Communications, LLC; Forte Communications, Inc.; Globalcom, Inc.; ICG

Michael Starkey

Telecom Group, Inc.; King City Telephone, LLC, d/b/a Southern Illinois Communications; KMC Telecom V, Inc.; McLeodUSA Telecommunications Services, Inc.; Mpower Communications Corporation, d/b/a Mpower Communications of Illinois; Neutral Tandem – Illinois, LLC; New Edge Network, Inc.; nii Communications, Ltd.; Novacon Holdings, LLC; Nuvox Communications of Illinois, Inc.; OnFiber Carrier Services, Inc.; Talk America, Inc.; TCG Chicago; TCG Illinois; TDS Metrocom, LLC; and Trinsic Communications, Inc.

Before The Hawaii Public Utilities Commission

Docket No. 04-0140

Application of Paradise MergerSub, Inc., GTE Corporation, Verizon Hawaii Inc., Bell Atlantic Communications, Inc., and Verizon Select Services Inc. For Approval of a Merger Transaction and Related Matters

On behalf of the Hawaii Public Utilities Commission

Before the Illinois Commerce Commission

Docket No. 04-0469

Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Illinois Bell Telephone Company Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCImetro Access Transmission Services, LLC, MCI Worldcom Communications, Inc. and Intermedia Communications LLC

Before the Public Utility Commission of Texas

Docket No. 28821

Arbitration of Non-Costing Issues for Successor Interconnection Agreements to The Texas 271 Agreement.

On behalf of MCImetro Access Transmission Services, LLC

Before the Public Service Commission of Wisconsin

Docket No. 6720-TI-187

Petition of SBC Wisconsin to Determine Rates and Costs for Unbundled Network Elements

On behalf of AT&T Communications of Wisconsin, LP, TCG Milwaukee and MCI, Inc.

Before the Illinois Commerce Commission

Docket No. 02-0864

Filing to increase Unbundled Loop and Nonrecurring Rates (Tariffs filed December 24, 2002)

On behalf of The CLEC Coalition (AT&T, Worldcom, Inc., McLeodUSA, Covad, TDS Metrocom, Allegiance, RCN Telecom, Globalcom, Z-Tel, XO Illinois, Forte Communications, CIMCO Communications)

Before the Connecticut Department of Public Utility Control

Docket No. 03-09-01PH02

DPUC Implementation of the Federal Communications Commission's Triennial Review Order – Hot Cut/Batch

On behalf of MCI

Before the Public Utilities Commission of the State of California

Rulemaking 95-04-043, Investigation 95-04-044

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.

On behalf of MCImetro, MCI Worldcom

Before the Public Utility Commission of Texas

Docket No. 28607

Impairment Analysis of Local Circuit Switching for the Mass Market

Michael Starkey

On behalf of MCImetro, MCI Worldcom, Brooks Fiber Communications of Texas

Before the State Corporation Commission of the State of Kansas

Docket No. 03-GIMT-1063-GIT

In the Matter of a General Investigation to Implement the State Mandates of the Federal Communications Commission's Triennial Review Order

On behalf of MCImetro, MCI Worldcom

Before the Public Utilities Commission of Ohio

Case No. 04-34-TP-COI

In the Matter of the Implementation of the Federal Communications Commission's Triennial Review Regarding Local Circuit Switching in SBC Ohio's Mass Market

On behalf of MCImetro, MCI Worldcom

Before the Michigan Public Service Commission

Case No. U-13891

In the matter, on the Commission's own motion, to investigate and to implement, a batch cut migration process

On behalf of MCImetro, MCI Worldcom

Before the Michigan Public Service Commission

Case No. U-13796

In the matter, on the Commission's own motion, to facilitate the implementation of the Federal Communication Commission's Triennial Review determinations in Michigan

On behalf of MCImetro, MCI Worldcom

Before the Missouri Public Service Commission

Case No. TO-2004-0207

In the Matter of a Commission Inquiry into the Possibility of Impairment Without Unbundled Local Circuit Switching when Serving the Mass Market

On behalf of Sage Telecom, Inc.

Before the State of New York Public Service Commission

Case No. 02-C-1425

Proceeding on Motion of the Commission to Examine the Process, and Related Costs of Performing Loop Migrations on a More Streamlined (e.g., Bulk) Basis

On behalf of MCImetro, MCI Worldcom

Before the Indiana Utility Regulatory Commission

Cause No. 42393

In the Matter of the Commission Investigation and Generic Proceeding of Rates and Unbundled Network Elements and Collocation for Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana Pursuant to the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of The CLEC Coalition (AT&T, TCG Indianapolis, Worldcom, Inc., McLeodUSA, Covad, Z-Tel).

Before the Michigan Public Service Commission

Case No. U-13531

In the matter, on the Commission's own motion, to review the costs of telecommunications services provided by SBC Michigan

On behalf of AT&T, Worldcom, Inc., McLeodUSA and TDS Metrocom.

Before the Illinois Commerce Commission

Michael Starkey

Docket No. 03-0323

Petition to Determine Adjustments to UNE Loop Rates Pursuant to Section 13-408 of the Illinois Public Utilities Act

On behalf of *The CLEC Coalition* (AT&T, Worldcom, Inc., McLeodUSA, Covad, TDS Metrocom, Allegiance, RCN Telecom, Globalcom, Z-Tel, XO Illinois, Forte Communications, CIMCO Communications)

Before the Public Utility Commission of Ohio

Case No. 96-1310-TP-COI

In the Matter of the Commission's Investigation into the Implementation of Section 276 of the Telecommunications Act of 1996 Regarding Pay Telephone Services

On behalf of the Payphone Association of Ohio

Before the Wisconsin Public Service Commission

Docket No. 6720-TI-177

Investigation Into Ameritech Wisconsin's Loop Conditioning Services and Practices

On behalf of WorldCom, Inc., AT&T Communications of Wisconsin, L.P. and TCG Milwaukee, McLeodUSA Telecommunications Services, Inc., TDS Metrocom, LLC

Before the Michigan Public Service Commission

Case No. U-11756 - REMAND

Complaint Pursuant to Sections 203 and 318 of the Michigan Telecommunications Act to Compel Respondents to Comply with Section 276 of the Federal Telecommunications Act

On behalf of the Michigan Pay Telephone Association

Before the New York Public Service Commission

Case No. 00-C-0127

Proceeding on the Motion of the Commission to Examine Issues Concerning Provision of Digital Subscriber Line Services

On behalf of MCI Worldcom Network Services, Inc.

Before the Indiana Utility Regulatory Commission

Cause No. 42236

Complaint of Time Warner Telecom Against Ameritech Indiana Regarding Its Unlawful Market Practice of Issuing Equipment Vouchers in Violation of the Indiana Code and Opportunity Indiana II and Petition for Emergency Suspension of any and all Ameritech Indiana Equipment Voucher Marketing Practices Pending Commission Investigation

On behalf of Time Warner Telecom of Indiana, LP

Before the Pennsylvania Public Utility Commission

Docket No. P-00930715F0002

Re: Verizon Pennsylvania Inc., Petition and Plan for Alternative Form of Regulation Under Chapter 30, 2000 Biennial Update to Network Modernization Plan

On behalf of MCI Worldcom Network Services, Inc.

Before the Illinois Commerce Commission

Docket No. 01-0609

Investigation of the propriety of the rates, terms, and conditions related to the provision of the Basic COPTS Port and the COPTS-Coin Line Port

On behalf of Payphone Services, Inc., DataNet Systems, LLC, Illinois Public Telecommunications Association

Michael Starkey

Before the Indiana Utility Regulatory Commission

Cause No. 40611-S1 (Phase II)

In the Matter of: The Commission Investigation and Generic Proceeding on Ameritech Indiana's Rates for Interconnection Service, Unbundled Elements, and Transport and Termination under the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of AT&T, Worldcom, Inc., and McLeodUSA Telecommunications Services, Inc.

Before the State of North Carolina Utility Commission

Docket No. P-7, Sub 980, P-10, Sub 622

Enforcement of Interconnection Agreement Between KMC Telecom III, Inc. and KMC Telecom V, Inc., against Carolina Telephone and Telegraph Company and Central Telephone Company

On behalf of KMC Telecom, Inc.

Before the Illinois Commerce Commission

Docket Nos. 98-0252, 98-0335, 98-0764 (Reopening)

SBC/Ameritech Merger, Reopening to Discuss Settlement Agreement Regarding Merger Savings

On behalf of AT&T, Worldcom, Inc., and McLeodUSA Telecommunications Services, Inc.

Before the Public Utility Commission of Ohio

Docket No. 01-1319-TP-ARB

In the Matter of MCImetro Access Transmission Services, LLC Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Ameritech Ohio

On behalf of MCIWorldcom, Inc.

Before the Illinois Commerce Commission

Docket No. 00-0393 (Rehearing)

Illinois Bell Telephone Company, d/b/a Ameritech Illinois Proposed Implementation of High Frequency Portion of the Loop (HFPL)/Line Sharing Service

On behalf of AT&T Communications of Illinois, Inc. and Worldcom, Inc.

Before the Wisconsin Public Service Commission

Case No. 6720-TI-167

Complaint Against Ameritech Wisconsin Filed by Wisconsin Builders Association, Inc.

On behalf of Wisconsin Builders Association, Inc.

Before the Public Service Commission of South Carolina

Docket No. 2001-65-C

In the Matter of Generic Proceeding to Establish Prices For BellSouth's Interconnection Services, Unbundled Network Elements and Other Related Elements and Services

On behalf of NuVox Communications, Broadslate Networks, KMC Telecom, New South Communications, ITC^Deltacom Communications

Before the Louisiana Public Service Commission

Docket No. 27821

In the Matter of Generic Proceeding to Establish Interim and Permanent Prices for Docket No. 27821 xDSL Loops and/or Related Elements and Services

On behalf of Covad Communications

Before the Public Utility Commission of Ohio

Case No. 00-942-TP-COI

Michael Starkey

*In the Matter of the Further Investigation into Ameritech Ohio's Entry into In-Region Interlata Service
Under Section 271 of the Telecommunications Act of 1996
On behalf of AT&T, WorldCom and XO Communications*

Before the Washington Utilities and Transportation Commission

Docket No. UT 003013, Part B

In the Matter of the Continued Costing and Pricing of Unbundled Network Elements, Transport and Termination

On behalf of Focal Communications, XO Washington, Inc.

Before the Illinois Commerce Commission

Docket No. 98-0195

Investigation into certain payphone Issues as directed in Docket No. 97-0225

On behalf of the Illinois Pay Telephone Association

Before the Alabama Public Service Commission

Docket No. 27821

Generic Proceeding to Establish Interim and Permanent Prices for xDSL Loops and/or Related Elements and Services

On behalf of The Data Coalition (Covad Communications and Broadslate Networks of Alabama, Inc.)

Before the Wisconsin Public Service Commission

Docket No. 6720-TI-160

Docket No. 6720-TI-161

Investigation Into Ameritech Wisconsin's Unbundled Network Elements

On behalf of AT&T, Worldcom, McLeodUSA, TDS Metrocom, KMC Telecom, Time Warner Telecom, Rhythms Links,

Before the Tennessee Regulatory Authority

Docket No. 00-00544

Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355, and Riser Cable and Terminating Wire as Ordered in Authority Docket No. 98-00123

On behalf of Covad Communications, Inc., Mpower Communications and BroadSlate Networks of Tennessee, Inc.

Before the Public Utilities Commission of the State of Hawaii

Docket No. 7702, Phase III

Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii

On behalf of GST Telecom Hawaii, Inc.

Before the North Carolina Utilities Commission

Docket P100 Sub 133d, Phase II

General Proceeding to Determine Permanent Pricing for Unbundled Network elements

On behalf of a consortium of 13 new entrant carriers

Before the Federal Communications Commission

CCB/CPD No. 00-1

In the Matter of Wisconsin Public Service Commission Order Directing Filings

On behalf of the Wisconsin Pay Telephone Association

Before the North Carolina Utilities Commission

Docket P100 Sub 133d, Phase I

Michael Starkey

General Proceeding to Determine Permanent Pricing for Unbundled Network elements
On behalf of a consortium of 13 new entrant carriers

Before the State of New York Public Service Commission

Case No. 98-C-1357

Proceeding on Motion of the Commission to Examine New York Telephone Company's Rates for Unbundled Network Elements

On behalf of the CLEC Coalition

Before the Public Utilities Commission of the State of California

Rulemaking 0-02-05

Order Instituting Rulemaking on the Commission's Own Motion into reciprocal compensation for telephone traffic transmitted to Internet Service Providers modems

On behalf of ICG Telecom Group, Inc.

Before the Public Utilities Commission of the State of Colorado

Docket No. 00B-103T

In the Matter of Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with US West Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Delaware Public Service Commission

PSC Docket No. 00-205

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic – Delaware, Inc.

On behalf of Focal Communications Corporation of Pennsylvania

Before the Georgia Public Service Commission

Case No. 11641-U

Petition of BlueStar Networks, Inc. for Arbitration with BellSouth Docket No. 11641-U

Telecommunications, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of BlueStar Networks, Inc.

Before the New Jersey Board of Public Utilities

Docket No. TO00030163

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic-New Jersey, Inc.

On behalf of Focal Communications Corporation

Before the Pennsylvania Public Utility Commission

Docket No. A-310630F.0002

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic-Pennsylvania

On behalf of Focal Communications Corporation

Before the Michigan Public Service Commission

Case No. U-12287

In the matter of the application, or in the alternative, complaint of AT&T COMMUNICATIONS OF MICHIGAN, INC. against Michigan Bell Telephone Company, D/B/A, Ameritech Michigan

On behalf of AT&T Communications of Michigan, Inc.

Before the Missouri Public Service Commission

Case No. 99-483

Michael Starkey

An Investigation for the Purpose of Clarifying and Determining Certain aspects Surrounding the Provisioning Of Metropolitan Calling Area Services After the Passage and Implementation Of the Telecommunications Act of 1996

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Illinois Commerce Commission

Docket No. 98-0396

Investigation into the compliance of Illinois Bell Telephone Company with the order in Docket 96-0486/0569 Consolidated regarding the filing of tariffs and the accompanying cost studies for interconnection, unbundled network elements and local transport and termination and regarding end to end bundling issues.

On behalf of AT&T Communications of Illinois, Inc. and McLeodUSA Telecommunications Services, Inc.

Before the Illinois Commerce Commission

Docket No. 99-0593

Investigation of Construction Charges

On behalf of McLeodUSA Telecommunications Services, Inc., MCI WorldCom, Inc. and Allegiance Telecom, Inc.

Before the Public Service Commission of Wisconsin

Case No. 05-TI-283

Investigation of the Compensation Arrangements for the Exchange of Traffic Directed to Internet Service Providers

On behalf of AT&T Communications of Wisconsin, AT&T Local Services, KMC Telecom, Inc., MCI WorldCom, Inc., McLeodUSA Telecommunications Services, Inc., TDS MetroComm, Time Warner Telecom

Before the Public Utility Commission of Texas

Docket No. 21982

Proceeding to Examine Reciprocal Compensation Pursuant to Section 252 of the Federal Telecommunications Act of 1996

On behalf of ICG Communications, Inc.

Before the Public Service Commission of the Commonwealth of Kentucky

Case No. 99-498

Petition of BlueStar Networks, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of BlueStar Networks, Inc.

Before the Illinois Commerce Commission

Docket No. 00-0027

Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Illinois Bell Telephone Company d/b/a Ameritech Illinois.

On behalf of Focal Communications Corporation of Illinois

Before The Indiana Utility Regulatory Commission

Cause No. 41570

In the Matter of the Complaint of McLeodUSA Telecommunications Services, Inc. against Indiana Bell Telephone Company, Incorporated, d/b/a Ameritech Indiana, Pursuant to the Provisions of I.C. §§ 8-1-2-54, 8-1-2-68, 8-1-2-103 and 8-1-2-104 Concerning the Imposition of Special Construction Charges.

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Florida Public Service Commission

Michael Starkey

Docket No. 991838-TP

Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of BlueStar Networks, Inc.

Before the Public Utility Commission of Ohio

Case No. 99-1153-TP-ARB

In the Matter of ICG Telecom Group, Inc.'s Petition For Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Ameritech Ohio

On behalf of ICG Telecom Group, Inc.

Before the Public Utility Commission of Oregon

ARB 154

Petition for Arbitration of GST Telecom Oregon, Inc. Against US West Communications, Inc. Under 47 U.S.C. §252(b)

On behalf of GST Telecom Oregon, Inc.

Before the Michigan Public Service Commission

Docket No. U-12072

In the matter of the application and complaint of WORLDCOM TECHNOLOGIES INC. (f/k/a MFS INTELENET OF MICHIGAN, INC., an MCI WORLDCOM company) against MICHIGAN BELL TELEPHONE COMPANY d/b/a AMERITEHC MICHIGAN, AMERITECH SERVICES, INC., AMERITECH INFORMATION INDUSTRY SERVICES, AND AMERITECH LONG DISTANCT INDUSTRY SERVICES relating to unbundled interoffice transport.

On behalf of WorldCom Technologies, Inc.

Before the Illinois Commerce Commission

Docket No. 99-0525

Ovation Communications, Inc. d/b/a McLeodUSA, Complaint Against Illinois Bell Telephone Company d/b/a Ameritech Illinois, Under Sections 13-514 and 13-515 of the Public Utilities Act Concerning the Imposition of Special Construction Charges and Seeking Emergency Relief Pursuant to Section 13-515(e)

On behalf of McLeodUSA

Before the Public Service Commission of the Commonwealth of Kentucky

Case No. 99-218

Petition of ICG Telecom Group, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Tennessee Regulatory Authority

Docket No. 1999-259-C

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ICG Communications, Inc.

Before the New Mexico Public Regulation Commission

Case No. 3131

In the Matter of GST Telecom New Mexico, Inc.'s Petition for Arbitration Against US West Communications, Inc., Under 47 U.S.C. § 252(b).

On behalf of GST Telecom New Mexico, Inc.

Before the Georgia Public Service Commission

Docket No. 10767-U

Michael Starkey

Petition of ICG Telecom Group, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Public Service Commission of New York

Case No. 99-C-0529

Proceeding on Motion of the Commission to Re-examine Reciprocal Compensation

On behalf of Focal Communications, Inc.

Before the Florida Public Service Commission

Docket No. 990691-TP

Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of ICG Telecom Group, Inc.

Before the Louisiana Public Service Commission

Docket No. U-24206

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ITC^DeltaCom, Inc.

Before the South Carolina Public Service Commission

Docket No. 199-259-C

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ITC^DeltaCom, Inc.

Before the Alabama Public Service Commission

Docket No. 27069

Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of ICG Telecom Group, Inc.

Before the State of North Carolina Utilities Commission

Docket No. P-582, Sub 6

Petition by ICG Telecom Group, Inc. for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of ICG Telecom Group, Inc.

Before the Missouri Public Service Commission

Case No. TO-99-370

Petition of BroadSpan Communications, Inc. for Arbitration of Unresolved Interconnection Issues Regarding ADSL with Southwestern Bell Telephone Company

On behalf of BroadSpan Communications, Inc.

Before the Michigan Public Service Commission

Case No. U-11831

In the Matter of the Commission's own motion, to consider the total service long run incremental costs for all access, toll, and local exchange services provided by Ameritech Michigan.

On behalf of MCIWorldCom, Inc.

Before the Illinois Commerce Commission

Docket Nos. 98-0770, 98-0771 cons.

Michael Starkey

Proposed Modifications to Terms and Conditions Governing the Provision of Special Construction Arrangements and, Investigation into Tariff Governing the Provision of Special Constructions Arrangements

On behalf of AT&T Communications of Illinois, Inc.

Before the Michigan Public Service Commission

Case No. U-11735

In the matter of the complaint of BRE Communications, L.L.C., d/b/a PHONE MICHIGAN, against Michigan Bell Telephone Company, d/b/a AMERITECH MICHIGAN, for violations of the Michigan Telecommunications Act

On behalf of BRE Communications, L.L.C.

Before the Indiana Utility Regulatory Commission

Cause No. 40830

In the Matter of the request of the Indiana Payphone Association for the Commission to Conduct an Investigation of Local Exchange Company Pay Telephone tariffs for Compliance with Federal Regulations, and to Hold Such Tariffs in Abeyance Pending Completion of Such Proceeding

On behalf of the Indiana Payphone Association

Before the Michigan Public Service Commission

Case No. U-11756

Complaint Pursuant to Sections 203 and 318 of the Michigan Telecommunications Act to Compel Respondents to Comply with Section 276 of the Federal Telecommunications Act

On behalf of the Michigan Pay Telephone Association

Before the Missouri Public Service Commission

Case No. TO-98-278

In the Matter of the Petition of Birch Telecom of Missouri, Inc., for Arbitration of the Rates, Terms, Conditions, and Related Arrangements for Interconnection with Southwestern Bell Telephone Company

On behalf of Birch Telecom of Missouri, Inc.

Before the Public Service Commission of the Commonwealth of Kentucky

Administrative Case No. 361

Deregulation of Local Exchange Companies' Payphone Services

On behalf of the Kentucky Payphone Association

Before the Public Utilities Commission of Ohio

Case No. 96-899-TP-ALT

The Application of Cincinnati Bell Telephone Company for Approval of a Retail Pricing Plan Which May Result in Future Rate Increases

On behalf of the MCI Telecommunications Corporation

Before the Public Utilities Commission of the State of Hawaii

Docket No. 7702

Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii

On behalf of GST Telecom Hawaii, Inc.

Before the Michigan Public Service Commission

Case No. U-11410

In the Matter of the Petition of the Michigan Pay Telephone Association to initiate an investigation to determine whether Michigan Bell Telephone Company d/b/a Ameritech Michigan and GTE North

Michael Starkey

Incorporated are in compliance with the Michigan Telecommunications Act and Section 276 of The Communications Act of 1934, as amended

On behalf of the Michigan Pay Telephone Association

Before the Indiana Utility Regulatory Commission

Cause No. 40849

In the matter of Petition of Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana for the Commission to Decline to Exercise in Whole or in Part its Jurisdiction Over, and to Utilize Alternative Regulatory Procedures For, Ameritech Indiana's Provision of Retail and Carrier Access Services Pursuant to I.C. 8-1-2.6 Et Seq.

On behalf of AT&T Communications of Indiana, Inc.

Before the Federal Communication Commission

C.C. Docket No. 97-137

In the Matter of Application by Ameritech Michigan for Authorization under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Michigan.

On behalf of the AT&T Corporation

Before the Indiana Utility Regulatory Commission

Cause No. 40611

In the Matter of the Commission Investigation and Generic Proceeding on Ameritech Indiana's Rates for Interconnection, Service, Unbundled Elements and Transport and Termination under the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of the MCI Telecommunications Corporation

Before the Public Utility Commission of Ohio

Case No. 97-152-TP-ARB

In the matter of the petition of MCI Telecommunications Corporation for arbitration pursuant to section 252(b) of the Telecommunications Act of 1996 to establish an interconnection agreement with Cincinnati Bell Telephone Company

On behalf of the MCI Telecommunications Corporation

Before the Michigan Public Service Commission

Case No. U-11280

In the matter, on the Commission's own motion to consider the total service long run incremental costs and to determine the prices of unbundled network elements, interconnection services, and basic local exchange services for AMERITECH MICHIGAN

On behalf of the MCI Telecommunications Corporation

Before the Illinois Commerce Commission

Docket No. 96-0486

Investigation into forward looking cost studies and rates of Ameritech Illinois for interconnection, network elements, transport and termination of traffic

On behalf of the MCI Telecommunications Corporation

Before the Public Utility Commission of Ohio

Case No. 96-922-TP-UNC

In the Matter of the Review of Ameritech Ohio's Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic

On behalf of the MCI Telecommunications Corporation

Before the New Jersey Board of Public Utilities

Michael Starkey

Docket No. TX95120631

In the Matter of the Investigation Regarding Local Exchange Competition for Telecommunications Services

On behalf of the MCI Telecommunications Corporation

Before the Michigan Public Service Commission

Case No. U-11104

In the matter, on the Commission's Own Motion, to Consider Ameritech Michigan's Compliance With the Competitive Checklist in Section 271 of the Telecommunications Act of 1996

On behalf of AT&T Communications of Indiana, Inc.

Before the Public Utility Commission of Ohio

Case Nos. 96-702-TP-COI, 96-922-TP-UNC, 96-973-TP-ATA, 96-974-TP-ATA, Case No. 96-1057-TP-UNC

In the Matter of the Investigation Into Ameritech Ohio's Entry Into In-Region InterLATA Services Under Section 271 of the Telecommunications Act of 1996.

On behalf of AT&T Communications of Ohio, Inc.

Before the Illinois Commerce Commission

Docket No. 96-0404

Investigation Concerning Illinois Bell Telephone Company's Compliance With Section 271(c) of the Telecommunications Act of 1996

On behalf of AT&T Communications of Illinois, Inc.

Before the Commonwealth of Massachusetts Department of Public Utilities

In the Matter of: D.P.U. 96-73/74, D.P.U. 96-75, D.P.U. 96-80/81, D.P.U. 96-83, D.P.U. 96-94, NYNEX - Arbitrations

On behalf of the MCI Telecommunications Corporation

Before the Pennsylvania Public Utility Commission

Docket No. A-31023670002

In the Matter of the Application of MCI Metro Access Transmission Services, Inc. For a Certificate of Public Convenience and Necessity to Provide and Resell Local Exchange Telecommunications Services in Pennsylvania

On behalf of MCI Metro Access and Transmission Services, Inc.

Before the New Jersey Board of Public Utilities

Docket No. TO96080621

In the Matter of MCI Telecommunications Corporation for Arbitration with Bell Atlantic-New Jersey, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996

On behalf of the MCI Telecommunications Corporation

Before the Indiana Utility Regulatory Commission

Cause No. 40571-INT-01

Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Wisconsin Bell Telephone Company d/b/a Ameritech Wisconsin

On behalf of AT&T Communications of Wisconsin, Inc.

Before the Public Utility Commission of Ohio

Case No. 96-752-TP-ARB

Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Ohio Bell Telephone Company d/b/a Ameritech Ohio

On behalf of AT&T Communications of Ohio, Inc.

Michael Starkey

Before the Illinois Commerce Commission

Docket No. 96-AB-003

Docket No. 96-AB-004 *Consol.*

Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Illinois Bell Telephone Company d/b/a Ameritech Illinois

On behalf of AT&T Communications of Illinois, Inc.

Before the Michigan Public Service Commission

Case No. U-11151

Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Michigan Bell Telephone Company d/b/a Ameritech Michigan

On behalf of AT&T Communications of Michigan, Inc.

Before the Indiana Utility Regulatory Commission

Cause No. 40571-INT-01

In the Matter of the Petition of AT&T Communications of Indiana, Inc. Requesting Arbitration of Certain Terms and Conditions and Prices for Interconnection and Related Arrangements from Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana Pursuant to Section 252 (b) of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996.

On behalf of AT&T Communications of Indiana, Inc.

Before the Missouri Public Service Commission

Case No. TT-96-268

Application of Southwestern Bell Telephone Company, Inc. to Revise P.S.C. Mo.-No. 26, Long Distance Message Telecommunications Service Tariff to Introduce the Designated Number Optional Calling Plan

On behalf of the MCI Telecommunications Corporation

Before the Corporation Commission of the State of Oklahoma

Cause No. PUD 950000411

Application of Southwestern Bell Telephone Company for an Order Approving Proposed Revisions in Applicant's Long Distance Message Telecommunications Service Tariff

Southwestern Bell Telephone Company's Introduction of 1+ Saver Directsm

On behalf of the MCI Telecommunications Corporation

Before the Georgia Public Service Commission

Docket No. 6415-U and 6537-U *cons.*

Petition of MCImetro to Establish Nondiscriminatory Rates, Terms and Conditions for the Unbundling and Resale of Local Loops

On behalf of MCImetro Access Transmission Services

Before the Public Service Commission of the State of Mississippi

Docket No. 95-UA-358

Regarding a Docket to Consider Competition in the Provision of Local Telephone Service

On behalf of the Mississippi Cable Television Association

Before the Maryland Public Service Commission

Docket No. 8705

In the Matter of the Inquiry Into the Merits of Alternative Plans for New Telephone Area Codes in Maryland

On behalf of the Staff of the Maryland Public Service Commission

Before the Maryland Public Service Commission

Docket No. 8584, Phase II

Michael Starkey

In the Matter of the Application of MFS Intelenet of Maryland, Inc. for Authority to Provide and Resell Local Exchange and Inter-Exchange Telephone Service; and Requesting the Establishment of Policies and Requirements for the Interconnection of Competing Local Exchange Networks

In the Matter of the Investigation of the Commission on its Own Motion Into Policies Regarding Competitive Local Exchange Telephone Service
On behalf of the Staff of the Maryland Public Service Commission

Before the Illinois Commerce Commission

Docket No. 94-0400

Application of MCI Metro Access and Transmission Services, Inc. For a Certificate of Exchange Service Authority Allowing it to Provide Facilities-Based Local Service in the Chicago LATA
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0315

Petition of Ameritech-Illinois for 708 NPA Relief by Establishing 630 Area Code
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0422

Complaints of MFS, TC Systems, and MCI against Ameritech-Illinois Regarding Failure to Interconnect
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket Nos. 94-0096, 94-0117, and 94-301

Proposed Introduction of a Trial of Ameritech's Customers First Plan in Illinois, et al.
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0049

Rulemaking on Line-Side and Reciprocal Interconnection
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 93-0409

MFS-Intelenet of Illinois, Inc. Application for an Amendment to its Certificate of Service Authority to Permit it to Operate as a Competitive Local Exchange Carrier of Business Services in Those Portions of MSA-1 Served by Illinois Bell Telephone and Central Telephone Company of Illinois
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0042, 94-0043, 94-0045, and 94-0046

Illinois Commerce Commission on its own motion. Investigation Regarding the Access Transport Rate Elements for Illinois Consolidated Telephone Company (ICTC), Ameritech-Illinois, GTE North, GTE South, and Central Telephone Company (Centel)
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 93-0301 and 94-0041

GTE North Incorporated. Proposed Filing to Restructure and Consolidate the Local Exchange, Toll, and Access Tariffs with the Former Centel of Illinois, Inc.
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Michael Starkey

Before the Public Service Commission of the State of Missouri

Case No. TC-93-224 and TO-93-192

In the Matter of Proposals to Establish an Alternate Regulation Plan for Southwestern Bell Telephone Company

On behalf of the Telecommunications Department, Missouri Public Service Commission

Before the Public Service Commission of the State of Missouri

Case No. TO-93-116

In the Matter of Southwestern Bell Telephone Company's Application for Classification of Certain Services as Transitionally Competitive

On behalf of the Telecommunications Department, Missouri Public Service Commission

Selected Reports, Presentations and Publications

IP-Enabled Voice Services

Impact of Applying Switched Access Charges to IP-PSTN Voice Services

FCC Wireline Competition Bureau Docket Nos. 04-36, 03-266

January 2005

Final Report

Analysis and Recommendations Related to Docket No. 04-0140

Merger Application of Paradise Mergersub, Inc. (n/k/a Hawaiian Telecom Mergersub, Inc.), Verizon Hawaii, Inc. and Related Companies.

On behalf of the Hawaii Public Utilities Commission

Submitted February 3, 2005

Litigating Telecommunications Cost Cases

TELRIC Principles and Other Sources of Enlightenment

Two Day Teaching Seminar for Public Utility Commissions and their Staff (Western States)

Denver, Colorado, February 5&6, 2002

Interconnect Pricing

Critique of FCC Working Paper Nos. 33 & 34

NARUC Winter Meeting 2001

Washington, D.C., February 25, 2001

Telecommunications Costing and Pricing

Interconnection and Inter-Carrier Compensation

Advanced Regulatory Studies Program

Michigan State University

Cincinnati, Ohio, October 13, 2000

Telecommunications Pricing in Tomorrow's Competitive Local Market

Professional Pricing Societies 9th Annual Fall Conference

Pricing From A to Z

Chicago, Illinois, October 30, 1998

Michael Starkey

Recombining Unbundled Network Elements: An Alternative to Resale
ICM Conferences' Strategic Pricing Forum
January 27, 1998, New Orleans, Louisiana

MERGERS – Implications of Telecommunications Mergers for Local Subscribers
National Association of State Utility Consumer Advocates Mid-Year Meeting,
Chicago, Illinois, June 24 1996

Unbundling, Costing and Pricing Network Elements in a Co-Carrier World
Telecommunications Reports' Rethinking Access Charges & Inter-carrier Compensation
Washington, D.C., April 17, 1996

Key Local Competition Issues Part I (novice)
Key Local Competition Issues Part II (advanced)
with Mark Long
National Cable Television Associations' 1995 State Telecommunications Conference
Washington, D.C., November 2, 1995

Competition in the Local Loop
New York State Telephone Association and Telephone Association of New England Issues
Forum
Springfield, Massachusetts, October 18, 1995

Compensation in a Competitive Local Exchange
National Association of Regulatory Utility Commissioner Subcommittee on Communications'
Summer Meetings
San Francisco, California, July 21, 1995

Fundamentals of Local Competition and Potential Dangers for Interexchange Carriers
COMPTel 1995 Summer Business Conference
Seattle, Washington, June 12, 1995

EXHIBIT 2

QSI National Survey of Reciprocal Compensation Rates

1. INTRODUCTION

In an effort to gauge the prevailing, cost-based level of local traffic termination rates set by state utility commission pursuant to 47 C.F.R. §51.711, QSI examined rates charged by the largest ILECs across all states.¹ QSI researched the origin of reciprocal compensation rates for each state and carrier, and included in the final study only rates that were set during a regulatory review and were based on forward-looking cost principles.² The resulting data set includes 40 states and 47 carriers.³ The Attachment included herewith contains a complete list of the reciprocal compensation rates for each state and carrier included in the survey (as well as the source documentation from which each rate was taken).

2. METHOD

Because reciprocal compensation rates are structured differently depending on the state and carrier,⁴ QSI focused its efforts on calculating a composite, per-minute reciprocal compensation rate so as to arrive at aggregated rates that permit comparisons between carriers and states. In order to derive meaningful composite rates QSI had to make certain assumptions, including an assumption about (i) the mileage of tandem transport (*QSI assumption*: 10 miles), (ii) duration of a call (*QSI assumption*: 3 minutes), (iii) percent of traffic that is routed through a tandem (*QSI assumption*: 75%), and, (iv) in cases where rates were zoned, the mix of traffic by zone (*QSI assumption*: each zone was assumed to have equal weights).⁵ QSI aggregated these rates by state and nationwide using both an arithmetic mean (i.e., simple average) as well as a weighted average technique relying upon ILEC switched access line counts as reported in the FCC's Automated Record Management Information System ("ARMIS").⁶ The resulting nationwide,

¹ The companies included in the survey are AT&T, Qwest, Verizon and Embarq. Sources of reciprocal compensation rates depended on the specific state and carrier, and included the company's UNE and Interconnection tariffs, Statements of Generally Available Terms and Conditions, state commissions' UNE and interconnection orders, and, if the above listed documents were not available or did not contain reciprocal compensation rates, individual carrier Interconnection Agreements.

² The study also included current reciprocal compensation rates that were a result of the RBOCs' voluntary reductions made during the regulatory review of their section 271 applications. The survey excludes data for which QSI was unable to establish the origin (state commission cost docket) of the reciprocal compensation rates.

³ While our initial analysis included all states, rates from some jurisdictions were not included wherein we could not verify those rates were based upon a Commission review of underlying costs. It is for this reason that only 40 states are included in our analysis.

⁴ These rates are typically designed to recover costs of local switching, tandem switching and transport functions that may be involved in handling terminating local traffic. Specific rate elements may involve "blended" rates or more detailed charges that depend on the routing and mileage of the specific call. In addition, while most reciprocal compensation charges are based on call duration (minute counts), some carriers charge set up rates that are based on call counts.

⁵ Obviously, each of these assumptions is a simplification from the many alternative arrangements that may exist in the marketplace. However, the assumptions we've chosen are representative of actual data we have seen in our substantial experience in reviewing cost studies supplied by both ILECs and CLECs.

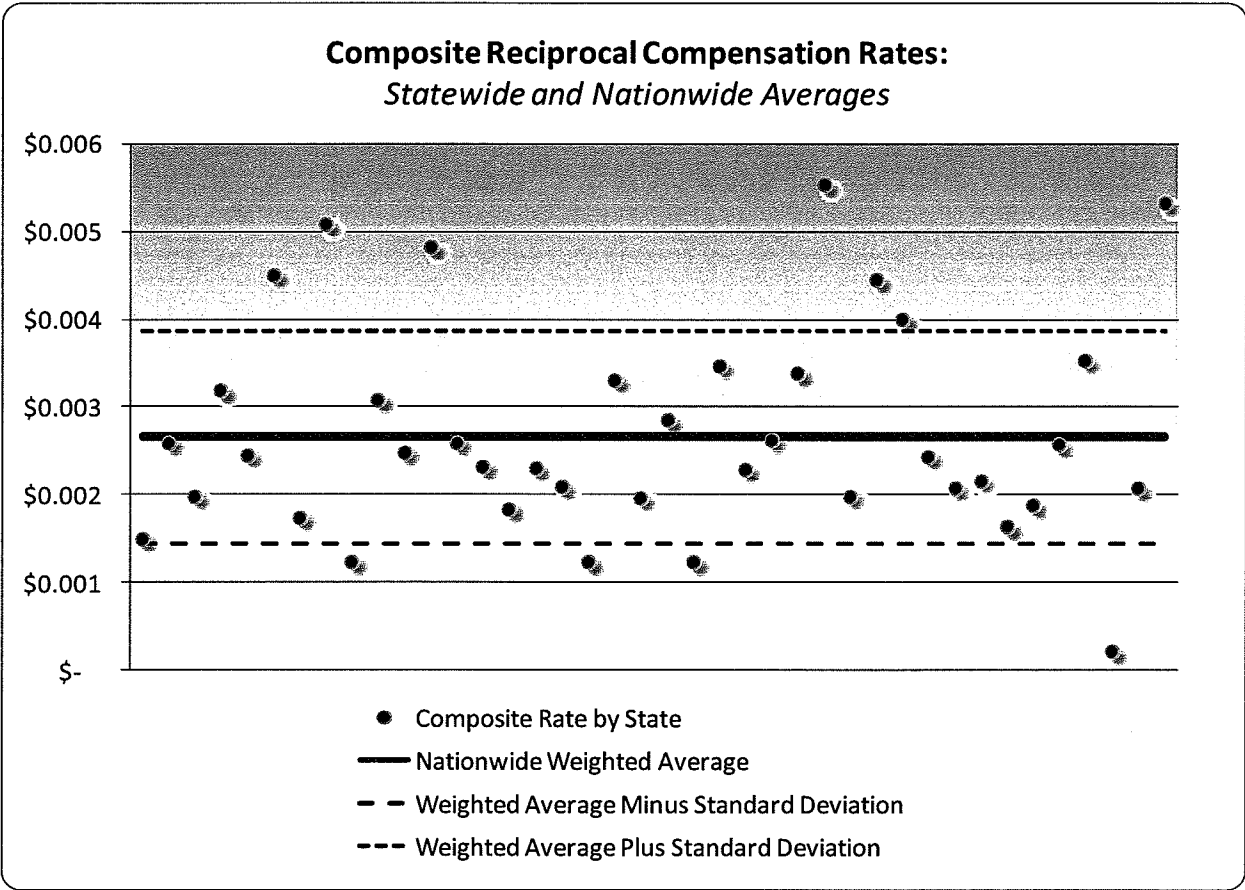
⁶ Switched access line counts are taken from 2007 ARMIS report 43-08, table III.

EXHIBIT 2
QSI National Survey of Reciprocal Compensation Rates

simple average equaled \$0.0029 per minute. Likewise, the weighted average composite reciprocal compensation rate equaled \$0.0027 per minute.

Table 1 below compares the results of the weighted average analysis.

TABLE 1 –



As depicted on the chart above, the nationwide weighted average composite reciprocal compensation rate is \$0.0027 per minute (the orange solid line on the chart), with approximately 70% of observations included within one standard deviation from the average

EXHIBIT 2

QSI National Survey of Reciprocal Compensation Rates

(between the two dashed lines on the chart). The individual statewide composite reciprocal compensation rates vary from \$0.0002 (Virginia)⁷ to \$0.0055 (Nevada).

Table 2 below includes the carrier specific composite reciprocal compensation rates for each state.

TABLE 2 -

Composite Reciprocal Compensation Rate by ILEC*

State	ILEC	Composite Rate	State	ILEC	Composite Rate
AL	AT&T	\$ 0.0015	NC	AT&T	\$ 0.0012
AR	AT&T	\$ 0.0026	ND	Qwest	\$ 0.0035
AZ	Qwest	\$ 0.0020	NE	Qwest	\$ 0.0023
CA	AT&T	\$ 0.0035	NJ	Verizon	\$ 0.0026
CA	Verizon	\$ 0.0018	NM	Qwest	\$ 0.0034
CO	Qwest	\$ 0.0024	NV	AT&T	\$ 0.0055
DC	Verizon	\$ 0.0045	NY	Verizon	\$ 0.0020
DE	Verizon	\$ 0.0017	OH	AT&T	\$ 0.0042
FL	Embarq	\$ 0.0051	OH	Verizon	\$ 0.0053
GA	AT&T	\$ 0.0012	OK	AT&T	\$ 0.0040
IA	Qwest	\$ 0.0031	OR	Qwest	\$ 0.0022
ID	Qwest	\$ 0.0025	OR	Verizon	\$ 0.0031
IL	AT&T	\$ 0.0048	PA	Verizon	\$ 0.0021
IL	Verizon	\$ 0.0049	SC	AT&T	\$ 0.0022
KS	AT&T	\$ 0.0026	SD	Qwest	\$ 0.0016
KY	AT&T	\$ 0.0023	TN	AT&T	\$ 0.0019
MA	Verizon	\$ 0.0018	TX	AT&T	\$ 0.0021
MD	Verizon	\$ 0.0023	TX	Verizon	\$ 0.0050
MI	AT&T	\$ 0.0011	UT	Qwest	\$ 0.0035
MI	Verizon	\$ 0.0075	VA	Verizon	\$ 0.0002
MN	Qwest	\$ 0.0012	WA	Qwest	\$ 0.0020
MO	AT&T	\$ 0.0033	WA	Verizon	\$ 0.0023
MS	AT&T	\$ 0.0020	WY	Qwest	\$ 0.0053
MT	Qwest	\$ 0.0028			

* -- Composite Rate calculated by using the following assumptions: 75% traffic is tandem routed; 10 mile transport; 3 minute call duration.

⁷ Note that the level of the Virginia rate is driven by the flat-rated rate structure for switching set specific to Verizon Virginia.

Attachment. ILECs Reciprocal Compensation Rates and Calculation of Composite Rates

Assumed Mileage	10
Assumed Call Duration	3
Assumed % Tandem Routed Traffic	0.75

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Composite Rate Calculations		
					Weight 1	Weight 2	Rate * Weight
AT&T	IL	\$ 0.00374600		EO Local Termination		1.00	0.003746
AT&T	IL	\$ 0.00107200		Tandem Switching		0.75	0.000804
AT&T	IL	\$ 0.00020100		Tandem Transport Term		0.75	0.00015075
AT&T	IL	\$ 0.00001300	per Mile	Tandem Transport Facility Mileage	10.00	0.75	0.0000975
AT&T	MI	\$ 0.00062200	Call	EO Local Termination (Setup)	0.33	1.00	0.000207333
AT&T	MI	\$ 0.00052100		EO Local Termination		1.00	0.000521
AT&T	MI	\$ 0.00032200	Call	Tandem Switching (Setup)	0.33	0.75	0.0000805
AT&T	MI	\$ 0.00033700		Tandem Switching		0.75	0.00025275
AT&T	MI	\$ 0.00007700	Call	Tandem Transport Term (Setup)	0.33	0.75	0.00001925
AT&T	MI	\$ 0.00008100		Tandem Transport Term		0.75	0.00006075
AT&T	MI	\$ 0.00000100	per Mile	Tandem Transport Facility Mileage	10.00	0.75	0.0000075
AT&T	OH	\$ 0.00360000		EO Local Termination		1.00	0.0036
AT&T	OH	\$ 0.00062300		Tandem Switching		0.75	0.00046725
AT&T	OH	\$ 0.00014600		Tandem Transport Term		0.75	0.0001095
AT&T	OH	\$ 0.00000600	per Mile	Tandem Transport Facility Mileage	10.00	0.75	0.000045
AT&T	KY	\$ 0.00119710		End Office Switching Function		1.00	0.0011971
AT&T	KY	\$ 0.00021120		End Office Trunk Port - Shared		1.00	0.0002112
AT&T	KY	\$ 0.00019400		Tandem Switching Function		0.75	0.0001455
AT&T	KY	\$ 0.00024160		Tandem Trunk Port - Shared		0.75	0.0001812
AT&T	KY	\$ 0.00000300	per Mile	Common Transport	10.00	0.75	0.0000225
AT&T	KY	\$ 0.00074660		Common Transport		0.75	0.00055995
AT&T	TN	\$ 0.00080410		End Office Switching Function		1.00	0.0008041
AT&T	TN	\$ 0.00097780		Tandem Switching Function		0.75	0.00073335
AT&T	TN	\$ 0.00000640	per Mile	Common Transport	10.00	0.75	0.000048
AT&T	TN	\$ 0.00038710		Common Transport		0.75	0.000290325
AT&T	TX	\$ 0.00079400		Tandem Switching		0.75	0.0005955
AT&T	TX	\$ 0.00013500		Tandem (Common) Transport Termination		0.75	0.00010125
AT&T	TX	\$ 0.00000200	per Mile	Tandem (Common) Transport Facility	10.00	0.75	0.000015
AT&T	TX	\$ 0.00108870	per Call	EO Switching Set Up	0.33	1.00	0.0003629
AT&T	TX	\$ 0.00104230		EO Switching		1.00	0.0010423
AT&T	OK	\$ 0.00380000		EO Switching - Rural Zone	0.33	1.00	0.001266667
AT&T	OK	\$ 0.00251600		EO Switching - Suburban Zone	0.33	1.00	0.000838667
AT&T	OK	\$ 0.00226800		EO Switching - Urban Zone	0.33	1.00	0.000756

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
AT&T	OK	\$ 0.00095600		Tandem Switching		0.75	0.000717
AT&T	OK	\$ 0.00079600		Tandem Termination – Rural Zone	0.33	0.75	0.000199
AT&T	OK	\$ 0.00051100		Tandem Termination – Suburban Zone	0.33	0.75	0.00012775
AT&T	OK	\$ 0.00038200		Tandem Termination – Urban Zone	0.33	0.75	0.0000955
AT&T	KS	\$ 0.00131000		EO Switching - Urban Zone	0.33	1.00	0.000436667
AT&T	KS	\$ 0.00169000		EO Switching - Suburban Zone	0.33	1.00	0.000563333
AT&T	KS	\$ 0.00253000		EO Switching - Rural Zone	0.33	1.00	0.000843333
AT&T	KS	\$ 0.00078900		Tandem Switching		0.75	0.00059175
AT&T	KS	\$ 0.00015700		Tandem Termination – Urban Zone	0.25	0.75	2.94375E-05
AT&T	KS	\$ 0.00017100		Tandem Termination – Suburban Zone	0.25	0.75	3.20625E-05
AT&T	KS	\$ 0.00019600		Tandem Termination – Rural Zone	0.25	0.75	0.00003675
AT&T	KS	\$ 0.00018600		Tandem Termination – Inter Zone	0.25	0.75	0.000034875
AT&T	KS	\$ 0.00000100	per Mile	Tandem Facility Mileage – Urban Zone	2.50	0.75	0.000001875
AT&T	KS	\$ 0.00000300	per Mile	Tandem Facility Mileage – Suburban Zone	2.50	0.75	0.000005625
AT&T	KS	\$ 0.00000600	per Mile	Tandem Facility Mileage – Rural Zone	2.50	0.75	0.00001125
AT&T	KS	\$ 0.00000100	per Mile	Tandem Facility Mileage – Inter Zone	2.50	0.75	0.000001875
AT&T	AR	\$ 0.00015700		Tandem Termination – Urban Zone	0.25	0.75	2.94375E-05
AT&T	AR	\$ 0.00017100		Tandem Termination – Suburban Zone	0.25	0.75	3.20625E-05
AT&T	AR	\$ 0.00019600		Tandem Termination – Rural Zone	0.25	0.75	0.00003675
AT&T	AR	\$ 0.00018600		Tandem Termination – Inter Zone	0.25	0.75	0.000034875
AT&T	AR	\$ 0.00000100	per Mile	Tandem Facility Mileage – Urban Zone	2.50	0.75	0.000001875
AT&T	AR	\$ 0.00000300	per Mile	Tandem Facility Mileage – Suburban Zone	2.50	0.75	0.000005625
AT&T	AR	\$ 0.00000600	per Mile	Tandem Facility Mileage – Rural Zone	2.50	0.75	0.00001125
AT&T	AR	\$ 0.00000100	per Mile	Tandem Facility Mileage – Inter Zone	2.50	0.75	0.000001875
AT&T	AR	\$ 0.00131000		EO Switching - Urban Zone	0.33	1.00	0.000436667
AT&T	AR	\$ 0.00169000		EO Switching - Suburban Zone	0.33	1.00	0.000563333
AT&T	AR	\$ 0.00253000		EO Switching - Rural Zone	0.33	1.00	0.000843333
AT&T	AR	\$ 0.00078900		Tandem Switching		0.75	0.00059175
AT&T	MO	\$ 0.00162000		EO Switching - Urban Zone	0.25	1.00	0.000405
AT&T	MO	\$ 0.00194900		EO Switching - Suburban Zone	0.25	1.00	0.00048725
AT&T	MO	\$ 0.00280700		EO Switching - Rural Zone	0.25	1.00	0.00070175
AT&T	MO	\$ 0.00239100		EO Switching - Urban Zone Springfield	0.25	1.00	0.00059775
AT&T	MO	\$ 0.00123100		Tandem Switching		0.75	0.00092325
AT&T	MO	\$ 0.00015500		Tandem Termination – Urban Zone	0.20	0.75	0.00002325
AT&T	MO	\$ 0.00023200		Tandem Termination – Suburban Zone	0.20	0.75	0.0000348
AT&T	MO	\$ 0.00024600		Tandem Termination – Rural Zone	0.20	0.75	0.0000369
AT&T	MO	\$ 0.00013200		Tandem Termination – Urban Zone Springfield	0.20	0.75	0.0000198
AT&T	MO	\$ 0.00027100		Tandem Termination – Inter Zone	0.20	0.75	0.00004065
AT&T	MO	\$ 0.00000160	per Mile	Tandem Facility – Urban Zone	2.00	0.75	0.0000024

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
AT&T	MO	\$ 0.00000570	per Mile	Tandem Facility – Suburban Zone	2.00	0.75	0.00000855
AT&T	MO	\$ 0.00001170	per Mile	Tandem Facility – Rural Zone	2.00	0.75	0.00001755
AT&T	MO	\$ 0.00000080	per Mile	Tandem Facility – Urban Zone Springfield	2.00	0.75	0.0000012
AT&T	MO	\$ 0.00000300	per Mile	Tandem Facility – Inter Zone	2.00	0.75	0.0000045
AT&T	CA	\$ 0.00144800	per Call	EO Local Termination – Set up charge, per call	0.33	1.00	0.000482667
AT&T	CA	\$ 0.00136000		EO Local Termination – Duration charge, per MOU		1.00	0.00136
AT&T	CA	\$ 0.00045300	per Call	Tandem Switching - Shared Transport – per Call	0.33	0.75	0.00011325
AT&T	CA	\$ 0.00062900	per Call	Tandem Switching - Shared Transport –Setup per Completed Message	0.33	0.75	0.00015725
AT&T	CA	\$ 0.00045300		Tandem Switching - Shared Transport –Holding Time per MOU		0.75	0.00033975
AT&T	CA	\$ 0.00125100		Switch Transport Common –Fixed Mileage		0.75	0.00093825
AT&T	CA	\$ 0.00002100	per Mile	Switch Transport Common – Variable	10.00	0.75	0.0001575
AT&T	NV	\$ 0.00311000	per Call	EO Local Termination – Set up charge, per call	0.33	1.00	0.001036667
AT&T	NV	\$ 0.00250600		EO Local Termination – Duration charge, per MOU		1.00	0.002506
AT&T	NV	\$ 0.00265800	per Call	Tandem Switching - Shared Transport – Set up charge, per call	0.33	0.75	0.0006645
AT&T	NV	\$ 0.00126100		Tandem Switching - Shared Transport –Duration charge, per MOU		0.75	0.00094575
AT&T	NV	\$ 0.00030500		Switched Transport - Common –Fixed Mileage per MOU (Fixed Mileage)		0.75	0.00022875
AT&T	NV	\$ 0.00001900	per Mile	Switched Transport - Common –Variable Mileage per MOU per Mile (Variable Mileage)	10.00	0.75	0.0001425
AT&T	AL	\$ 0.00086630		End Office Switching Function, per MOU		1.00	0.0008663
AT&T	AL	\$ 0.00049800		Tandem Switching Function Per MOU		0.75	0.0003735
AT&T	AL	\$ 0.00049800		Multiple Tandem Switching, per MOU (applies to initial tandem only)	-	0.75	0
AT&T	AL	\$ 0.00000230	per Mile	Common Transport - Per Mile, Per MOU	10.00	0.75	0.00001725
AT&T	AL	\$ 0.00032240		Common Transport - Facilities Termination Per MOU		0.75	0.0002418
AT&T	GA	\$ 0.00075600		End Office Switching Function, per MOU		1.00	0.000756
AT&T	GA	\$ 0.00041860		Tandem Switching Function Per MOU		0.75	0.00031395
AT&T	GA	\$ 0.00041860		Multiple Tandem Switching, per MOU (applies to initial tandem only)	-	0.75	0
AT&T	GA	\$ 0.00000280	per Mile	Common Transport - Per Mile, Per MOU	10.00	0.75	0.0000021
AT&T	GA	\$ 0.00019550		Common Transport - Facilities Termination Per MOU		0.75	0.000146625
AT&T	MS	\$ 0.00119000		End Office Switching Function, per MOU		1.00	0.00119
AT&T	MS	\$ 0.00053790		Tandem Switching Function Per MOU		0.75	0.000403425
AT&T	MS	\$ 0.00053790		Multiple Tandem Switching, per MOU (applies to initial tandem only)	-	0.75	0
AT&T	MS	\$ 0.00000260	per Mile	Common Transport - Per Mile, Per MOU	10.00	0.75	0.00000195
AT&T	MS	\$ 0.00045410		Common Transport - Facilities Termination Per MOU		0.75	0.000340575
AT&T	NC	\$ 0.00073310		End Office Switching Function, per MOU		1.00	0.0007331
AT&T	NC	\$ 0.00047880		Tandem Switching Function Per MOU		0.75	0.0003591
AT&T	NC	\$ 0.00047880		Multiple Tandem Switching, per MOU (applies to initial tandem only)	-	0.75	0
AT&T	NC	\$ 0.00000230	per Mile	Common Transport - Per Mile, Per MOU	10.00	0.75	0.00001725
AT&T	NC	\$ 0.00016760		Common Transport - Facilities Termination Per MOU		0.75	0.0001257
AT&T	SC	\$ 0.00126550		End Office Switching Function, per MOU		1.00	0.0012655
AT&T	SC	\$ 0.00073600		Tandem Switching Function Per MOU		0.75	0.000552

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
AT&T	SC	\$ 0.00073600		Multiple Tandem Switching, per MOU (applies to initial tandem only)	-	0.75	0
AT&T	SC	\$ 0.00000450	per Mile	Common Transport - Per Mile, Per MOU	10.00	0.75	0.00003375
AT&T	SC	\$ 0.00040950		Common Transport - Facilities Termination Per MOU		0.75	0.000307125
Qwest	AZ	\$ 0.00097000		End Office Call Termination, per Minute of Use	1.00		0.00097
Qwest	AZ	\$ 0.00055000		Tandem Switched Transport, per Minute of Use	0.75		0.0004125
Qwest	AZ	\$ 0.00079000		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.0005925
Qwest	AZ	\$ -	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0
Qwest	CO	\$ 0.00161000		End Office Call Termination, per Minute of Use	1.00		0.00161
Qwest	CO	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	CO	\$ 0.00035900		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.00026925
Qwest	CO	\$ 0.00000700	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.0000525
Qwest	IA	\$ 0.00155800		End Office Call Termination, per Minute of Use	1.00		0.001558
Qwest	IA	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	IA	\$ 0.00134000		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.001005
Qwest	IA	\$ -	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0
Qwest	ID	\$ 0.00134300		End Office Call Termination, per Minute of Use	1.00		0.001343
Qwest	ID	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	ID	\$ 0.00045640		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.0003423
Qwest	ID	\$ 0.00003670	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.00027525
Qwest	MN	\$ -		End Office Call Termination, per Minute of Use	1.00		0
Qwest	MN	\$ 0.00112000		Tandem Switched Transport, per Minute of Use	0.75		0.00084

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
Qwest	MN	\$ 0.00052000		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.00039
Qwest	MN	\$ -	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0
Qwest	MT	\$ 0.00157400		End Office Call Termination, per Minute of Use	1.00		0.001574
Qwest	MT	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	MT	\$ 0.00060800		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.000456
Qwest	MT	\$ 0.00003900	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.0002925
Qwest	ND	\$ 0.00148200		End Office Call Termination, per Minute of Use	1.00		0.001482
Qwest	ND	\$ 0.00210000		Tandem Switched Transport, per Minute of Use	0.75		0.001575
Qwest	ND	\$ 0.00036200		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.0002715
Qwest	ND	\$ 0.00001770	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.00013275
Qwest	NE	\$ 0.00126000		End Office Call Termination, per Minute of Use	1.00		0.00126
Qwest	NE	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	NE	\$ 0.00049600		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.000372
Qwest	NE	\$ 0.00001790	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.00013425
Qwest	NM	\$ 0.00204600		End Office Call Termination, per Minute of Use	1.00		0.002046
Qwest	NM	\$ 0.00085300		Tandem Switched Transport, per Minute of Use	0.75		0.00063975
Qwest	NM	\$ 0.00067100		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.00050325
Qwest	NM	\$ 0.00002500	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.0001875

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
Qwest	OR	\$ 0.00133010		End Office Call Termination, per Minute of Use	1.00		0.0013301
Qwest	OR	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	OR	\$ 0.00037200		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.000279
Qwest	OR	\$ 0.00000700	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.0000525
Qwest	SD	\$ 0.00070200		End Office Call Termination, per Minute of Use	1.00		0.000702
Qwest	SD	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	SD	\$ 0.00040600		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.0003045
Qwest	SD	\$ 0.00001400	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.000105
Qwest	UT	\$ 0.00162633		End Office Call Termination, per Minute of Use	1.00		0.001626333
Qwest	UT	\$ 0.00179800		Tandem Switched Transport, per Minute of Use	0.75		0.0013485
Qwest	UT	\$ 0.00048600		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.0003645
Qwest	UT	\$ 0.00002430	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.00018225
Qwest	WA	\$ 0.00117800		End Office Call Termination, per Minute of Use	1.00		0.001178
Qwest	WA	\$ 0.00069000		Tandem Switched Transport, per Minute of Use	0.75		0.0005175
Qwest	WA	\$ 0.00026000		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.000195
Qwest	WA	\$ 0.00001000	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.000075
Qwest	WY	\$ 0.00262200		End Office Call Termination, per Minute of Use	1.00		0.002622
Qwest	WY	\$ 0.00285600		Tandem Switched Transport, per Minute of Use	0.75		0.002142
Qwest	WY	\$ 0.00054710		Tandem Transmission - Fixed Over 8 to 25 Miles	0.75		0.000410325
Qwest	WY	\$ 0.00001910	per Mile	Tandem Transmission - Per Mile Over 8 to 25 Miles	7.50		0.00014325
VZ	NY	\$ 0.00106900		Recip Traffic Exch Trunk 1 Way and 2 Way Meet Points A and B (convergent)	0.50		0.0005345
VZ	NY	\$ 0.00289300		Recip Traffic Exch Trunk 1 Way and 2 Way Meet Point B (nonconvergent)	0.50		0.0014465
VZ	PA	\$ 0.00098700		Local Call Termination; Traffic Delivered at VZ End Office, Meet Point A	0.25		0.00024675
VZ	PA	\$ 0.00243900		Local Call Termination; Traffic Delivered at VZ Tandem or Local Serving Wire Center, Meet Point B	0.75		0.00182925
VZ	MI	\$ 0.00492910		Reciprocal Compensation Traffic End Office Rate	0.25		0.001232275
VZ	MI	\$ 0.00831140		Reciprocal Compensation Traffic Tandem Rate	0.75		0.00623355
VZ	OH	\$ 0.00400000		Reciprocal Compensation Traffic End Office Rate	0.25		0.001

LEC	State	Rate	Unit (Other than MOU)	Rate Element	Weight 1	Weight 2	Rate * Weight
VZ	OH	\$ 0.00567230		Reciprocal Compensation Traffic Tandem Rate	0.75		0.004254225
VZ	TX	\$ 0.00408520		Reciprocal Compensation Traffic End Office Rate	0.25		0.0010213
VZ	TX	\$ 0.00530410		Reciprocal Compensation Traffic Tandem Rate	0.75		0.003978075
VZ	VA	\$ -		Meet Point A End Office	0.25		0
VZ	VA	\$ 0.00029000		Meet Point B End Office	0.75		0.0002175
VZ	WA	\$ 0.00085800		Meet Point A End Office	0.25		0.0002145
VZ	WA	\$ 0.00283200		Meet Point B Tandem Office	0.75		0.002124
VZ	MD	\$ 0.00118100		Reciprocal Compensation Traffic End Office Rate	0.25		0.00029525
VZ	MD	\$ 0.00267000		Reciprocal Compensation Traffic Tandem Rate	0.75		0.0020025
VZ	NJ	\$ 0.00188500		Transport and Termination – Termination at End Office	0.25		0.00047125
VZ	NJ	\$ 0.00286300		Transport and Termination – Termination at Tandem	0.75		0.00214725
VZ	CA	\$ 0.00151100		Switch Usage Interoffice Orig/ Term	1.00		0.001511
VZ	CA	\$ 0.00036400		Switch Usage Tandem Switching	0.75		0.000273
VZ	CA	\$ -	per mile	Common Transport per mile	7.50		0
VZ	CA	\$ 0.00005300		Common Transport fix ed per term	0.75		0.00003975
VZ	DE	\$ 0.00108200		Transport and Termination – Termination at End Office	0.25		0.0002705
VZ	DE	\$ 0.00195700		Transport and Termination – Termination at Tandem	0.75		0.00146775
VZ	OR	\$ 0.00133000		Transport and Termination – Termination at End Office	0.25		0.0003325
VZ	OR	\$ 0.00369170		Transport and Termination – Termination at Tandem	0.75		0.002768775
VZ	MA	\$ 0.00112700		Recip Traffic Ex change Trunk - Meet Point A End Office	0.25		0.00028175
VZ	MA	\$ 0.00207500		Recip Traffic Ex change Trunk -Meet Point B Access Tandem	0.75		0.00155625
VZ	IL	\$ 0.00385340		Reciprocal Compensation Traffic End Office Rate	0.25		0.00096335
VZ	IL	\$ 0.00527660		Reciprocal Compensation Traffic Tandem Rate	0.75		0.00395745
VZ	DC	\$ 0.00300000		Reciprocal Compensation Traffic End Office Rate	0.25		0.00075
VZ	DC	\$ 0.00500000		Reciprocal Compensation Traffic Tandem Rate	0.75		0.00375
EQ	FL	\$ 0.00364000	per Call	Reciprocal Compensation – End Office Set up	0.33		0.001213333
EQ	FL	\$ 0.00140800		Reciprocal Compensation – End Office			0.001408
EQ	FL	\$ 0.00369100	per Call	Reciprocal Compensation – Tandem Switching Set up	0.25		0.00092275
EQ	FL	\$ 0.00123100		Reciprocal Compensation – Tandem Switching	0.75		0.00092325
EQ	FL	\$ 0.00081400		Reciprocal Compensation –Tandem Transport	0.75		0.0006105

LEC	State	Rate Source
AT&T	IL	No 20 Part 23 Sec 2 (96-0486/96-0596 (discussed in 01-0662))
AT&T	IL	No 20 Part 23 Sec 2 (96-0486/96-0596 (discussed in 01-0662))
AT&T	IL	No 20 Part 23 Sec 2 (96-0486/96-0596 (discussed in 01-0662))
AT&T	IL	No 20 Part 23 Sec 2 (96-0486/96-0596 (discussed in 01-0662))
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	MI	No 20 Part 23 Sec 2 (U-13531)
AT&T	OH	PUCO web site (96-922-TP-UNC; 8-20-02 compl filing)
AT&T	OH	PUCO web site (96-922-TP-UNC; 8-20-02 compl filing)
AT&T	OH	PUCO web site (96-922-TP-UNC; 8-20-02 compl filing)
AT&T	OH	PUCO web site (96-922-TP-UNC; 8-20-02 compl filing)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	KY	KY Tariff 10C SGAT Attchm A (case AC 382)
AT&T	TN	TN Competitive Local Exch Carrier Tariff (TRA docket 97-01262)
AT&T	TN	TN Competitive Local Exch Carrier Tariff (TRA docket 97-01262)
AT&T	TN	TN Competitive Local Exch Carrier Tariff (TRA docket 97-01262)
AT&T	TN	TN Competitive Local Exch Carrier Tariff (TRA docket 97-01262)
AT&T	TX	TX T2A Successor Agreement (Attachment 12 V2; rates adopted in Docket 21982)
AT&T	TX	TX T2A Successor Agreement (Attachment 12 V2; rates adopted in Docket 21982)
AT&T	TX	TX T2A Successor Agreement (Attachment 12 V2; rates adopted in Docket 21982)
AT&T	TX	TX T2A Successor Agreement (Attachment 12 V2; rates adopted in Docket 21982)
AT&T	TX	TX T2A Successor Agreement (Attachment 12 V2; rates adopted in Docket 21982)
AT&T	OK	OK O2A Successor Agreement , Pricing attachmnt (Cox version; rates from Cause PUD 97000442/970000213, 7-17-98 OCC Pricing Order (settlement))
AT&T	OK	OK O2A Successor Agreement , Pricing attachmnt (Cox version; rates from Cause PUD 97000442/970000213, 7-17-98 OCC Pricing Order (settlement))
AT&T	OK	OK O2A Successor Agreement , Pricing attachmnt (Cox version; rates from Cause PUD 97000442/970000213, 7-17-98 OCC Pricing Order (settlement))

[illegible]

LEC	State	Rate Source
AT&T	MO	MO M2A Successor Agreement (note in XO ICA says rates based on TO-97-40 less volunatry reductions in 271 TO-99-227 (8-30-1 order))
AT&T	MO	MO M2A Successor Agreement (note in XO ICA says rates based on TO-97-40 less volunatry reductions in 271 TO-99-227 (8-30-1 order))
AT&T	MO	MO M2A Successor Agreement (note in XO ICA says rates based on TO-97-40 less volunatry reductions in 271 TO-99-227 (8-30-1 order))
AT&T	MO	MO M2A Successor Agreement (note in XO ICA says rates based on TO-97-40 less volunatry reductions in 271 TO-99-227 (8-30-1 order))
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	CA	CA Generic Pricing Schedule (from 22-State Agreement; Case A 01-02-024/A 01-02-035)
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	NV	NV Generic Pricing Schedule (from 22-State Agreement; cost based: see case 00-7031 (271) 12-17-02 order))
AT&T	AL	9-State Generic Pricing Schedule (docket 27821)
AT&T	AL	9-State Generic Pricing Schedule (docket 27821)
AT&T	AL	9-State Generic Pricing Schedule (docket 27821)
AT&T	AL	9-State Generic Pricing Schedule (docket 27821)
AT&T	AL	9-State Generic Pricing Schedule (docket 27821)
AT&T	GA	9-State Generic Pricing Schedule (docket 14361-U remand)
AT&T	GA	9-State Generic Pricing Schedule (docket 14361-U remand)
AT&T	GA	9-State Generic Pricing Schedule (docket 14361-U remand)
AT&T	GA	9-State Generic Pricing Schedule (docket 14361-U remand)
AT&T	GA	9-State Generic Pricing Schedule (docket 14361-U remand)
AT&T	MS	9-State Generic Pricing Schedule (00-UA-999; LS and port)
AT&T	MS	9-State Generic Pricing Schedule (00-UA-999; =Tan sw + 2 tandem ports)
AT&T	MS	9-State Generic Pricing Schedule (00-UA-999)
AT&T	MS	9-State Generic Pricing Schedule (00-UA-999)
AT&T	MS	9-State Generic Pricing Schedule (00-UA-999)
AT&T	NC	9-State Generic Pricing Schedule (Docket: P-100 Sub 133d)
AT&T	NC	9-State Generic Pricing Schedule (Docket: P-100 Sub 133d)
AT&T	NC	9-State Generic Pricing Schedule (Docket: P-100 Sub 133d)
AT&T	NC	9-State Generic Pricing Schedule (Docket: P-100 Sub 133d)
AT&T	NC	9-State Generic Pricing Schedule (Docket: P-100 Sub 133d)
AT&T	SC	9-State Generic Pricing Schedule (docket 2001-65-C rates)
AT&T	SC	9-State Generic Pricing Schedule (docket 2001-65-C rates)

LEC	State	Rate Source
AT&T	SC	9-State Generic Pricing Schedule (docket 2001-65-C rates)
AT&T	SC	9-State Generic Pricing Schedule (docket 2001-65-C rates)
AT&T	SC	9-State Generic Pricing Schedule (docket 2001-65-C rates)
Qwest	AZ	SGAT; Cost Docket T-00000A-00-0194 Phase IIa Order No. 65451 Effective 12/12/02 Cost Docket T-00000A-00-0194 Phases II & IIa Record Reopened Decision No. 66385 Effective Dates 6/12/02 & 10/6/03
Qwest	AZ	SGAT; Cost Docket T-00000A-00-0194 Phase IIa Order No. 65451 Effective 12/12/02 Cost Docket T-00000A-00-0194 Phases II & IIa Record Reopened Decision No. 66385 Effective Dates 6/12/02 & 10/6/03
Qwest	AZ	SGAT; Cost Docket T-00000A-00-0194 Phase IIa Order No. 65451 Effective 12/12/02 Cost Docket T-00000A-00-0194 Phases II & IIa Record Reopened Decision No. 66385 Effective Dates 6/12/02 & 10/6/03
Qwest	AZ	SGAT; Cost Docket T-00000A-00-0194 Phase IIa Order No. 65451 Effective 12/12/02 Cost Docket T-00000A-00-0194 Phases II & IIa Record Reopened Decision No. 66385 Effective Dates 6/12/02 & 10/6/03
Qwest	CO	SGAT; Cost Docket 99A-577T
Qwest	CO	SGAT; Cost Docket 99A-577T
Qwest	CO	SGAT; Cost Docket 99A-577T
Qwest	CO	SGAT; Cost Docket 99A-577T
Qwest	IA	SGAT; Cost Docket RPU-96-9 Effective 12/8/98 Docket TF-02-202 Voluntary Rate Reduction. Effective 6/5/02 and reductions are reflected in the 5/24/02 Exhibit A Docket TF-02-202 Additional Voluntary Rate Reduction. Effective 6/5/02 and reductions are reflected in the 8/5/02 Exhibit A.
Qwest	IA	SGAT; Cost Docket RPU-96-9 Effective 12/8/98 Docket TF-02-202 Voluntary Rate Reduction. Effective 6/5/02 and reductions are reflected in the 5/24/02 Exhibit A Docket TF-02-202 Additional Voluntary Rate Reduction. Effective 6/5/02 and reductions are reflected in the 8/5/02 Exhibit A.
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Qwest	ID	SGAT; Cost Docket QWE-T-01-11, Order No. 29408 (January 5, 2004) rates effective January 5, 2004. Second Voluntary Rate Reduction, Docket USW-T-00-3, effective 6/7/02. Reductions reflected in the 7/10/02 Exhibit A. Third Voluntary Rate Reduction Docket USW-T-00-3, effective 12/16/02, Reductions reflected in the 10/16/02 Exhibit A.
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Qwest	MN	SGAT; Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2 Reciprocal Compensation, Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2
Qwest	MN	SGAT; Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2 Reciprocal Compensation, Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2

LEC	State	Rate Source
Qwest	MN	SGAT; Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2 Reciprocal Compensation, Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2
Qwest	MN	SGAT; Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2 Reciprocal Compensation, Docket No. P-421/CI-01-1375, OAH Docket No. 12-2500-14490-2
Qwest	MT	SGAT; Cost Docket D2000.6.89 Stipulated Agreement Approved in Order No. 6260b Effective 10/12/01 Docket D2000.6.80 Voluntary Rate Reduction. Effective 7/10/02 and reductions are reflected in the July 3, 2003 Exhibit A. These rates are not subject to true up and will be applied on a going forward basis. Docket D2000.6.80 Third Additional Rate Reduction. to the voluntary reductions Effective 10/29/02 and reflected in the August 30, 2002 Exhibit A. Rates reaffirmed in Cost Docket D2002.7.87, Order No. 6435b.
Qwest	MT	SGAT; Cost Docket D2000.6.89 Stipulated Agreement Approved in Order No. 6260b Effective 10/12/01 Docket D2000.6.80 Voluntary Rate Reduction. Effective 7/10/02 and reductions are reflected in the July 3, 2003 Exhibit A. These rates are not subject to true up and will be applied on a going forward basis. Docket D2000.6.80 Third Additional Rate Reduction. to the voluntary reductions Effective 10/29/02 and reflected in the August 30, 2002 Exhibit A. Rates reaffirmed in Cost Docket D2002.7.87, Order No. 6435b.
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Qwest	ND	SGAT; Cost Docket Case No. PU-2342-01-296
Qwest	ND	SGAT; Cost Docket Case No. PU-2342-01-296
Qwest	ND	SGAT; Cost Docket Case No. PU-2342-01-296
Qwest	ND	SGAT; Cost Docket Case No. PU-2342-01-296
Qwest	NE	SGAT; Cost Docket C-2516 / PI-49 Effective 6/7/02 Voluntary Rate Reduction Docket C-2516/ PI-49, C-266, C-2750, effective 6/7/02. Reductions reflected in the 6/2/02 Exhibit A. All carriers will receive the voluntarily reduced rates unless they explicitly request the higher Ordered rates. Third Voluntary Rate Reduction Docket C-2516/ PI-49, C-266, C-2750, effective 12/18/02. Reductions reflected in the 10/16/02 Exhibit A.
Qwest	NE	SGAT; Cost Docket C-2516 / PI-49 Effective 6/7/02 Voluntary Rate Reduction Docket C-2516/ PI-49, C-266, C-2750, effective 6/7/02. Reductions reflected in the 6/2/02 Exhibit A. All carriers will receive the voluntarily reduced rates unless they explicitly request the higher Ordered rates. Third Voluntary Rate Reduction Docket C-2516/ PI-49, C-266, C-2750, effective 12/18/02. Reductions reflected in the 10/16/02 Exhibit A.
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Qwest	NM	SGAT; Cost Docket Utility Case 3495, Phase B, effective 3/8/05 Cost Docket Utility Case 3495, Phase B, effective 5/24/05
Qwest	NM	SGAT; Cost Docket Utility Case 3495, Phase B, effective 3/8/05 Cost Docket Utility Case 3495, Phase B, effective 5/24/05
Qwest	NM	SGAT; Cost Docket Utility Case 3495, Phase B, effective 3/8/05 Cost Docket Utility Case 3495, Phase B, effective 5/24/05
Qwest	NM	SGAT; Cost Docket Utility Case 3495, Phase B, effective 3/8/05 Cost Docket Utility Case 3495, Phase B, effective 5/24/05

LEC	State	Rate Source
Qwest	OR	SGAT; UM 844 (Order No. 97.239) Voluntary Rate Reduction Docket UM 973. Reductions reflected in the 12/3/02 Exhibit A.
Qwest	OR	SGAT; UM 844 (Order No. 97.239) Voluntary Rate Reduction Docket UM 973. Reductions reflected in the 12/3/02 Exhibit A.
Qwest	OR	SGAT; UM 844 (Order No. 97.239) Voluntary Rate Reduction Docket UM 973. Reductions reflected in the 12/3/02 Exhibit A.
Qwest	OR	SGAT; UM 844 (Order No. 97.239) Voluntary Rate Reduction Docket UM 973. Reductions reflected in the 12/3/02 Exhibit A.
Qwest	SD	SGAT; Qwest and AT&T Arbitration in Docket No. TC96-184, effective March 4, 1999 Voluntary Rate Reduction, Docket TC01-165, effective 12/12/02. Reductions reflected in the 12/12/02 Exhibit A.
Qwest	SD	SGAT; Qwest and AT&T Arbitration in Docket No. TC96-184, effective March 4, 1999 Voluntary Rate Reduction, Docket TC01-165, effective 12/12/02. Reductions reflected in the 12/12/02 Exhibit A.
Qwest	SD	SGAT; Qwest and AT&T Arbitration in Docket No. TC96-184, effective March 4, 1999 Voluntary Rate Reduction, Docket TC01-165, effective 12/12/02. Reductions reflected in the 12/12/02 Exhibit A.
Qwest	SD	SGAT; Qwest and AT&T Arbitration in Docket No. TC96-184, effective March 4, 1999 Voluntary Rate Reduction, Docket TC01-165, effective 12/12/02. Reductions reflected in the 12/12/02 Exhibit A.
Qwest	UT	SGAT; Cost Docket 00-049-105 Reconsideration Effective 11/15/03 Cost Docket 01-049-85, Switching Portion. Effective 1/15/04 Docket 00-049-08 Third Voluntary Rate Reduction. Effective December 16, 2002 and reductions are reflected in the October 16, 2002 Exhibit A. Rates reaffirmed in Cost Docket No. 01-049-85 Order.
Qwest	UT	SGAT; Cost Docket 00-049-105 Reconsideration Effective 11/15/03 Cost Docket 01-049-85, Switching Portion. Effective 1/15/04 Docket 00-049-08 Third Voluntary Rate Reduction. Effective December 16, 2002 and reductions are reflected in the October 16, 2002 Exhibit A. Rates reaffirmed in Cost Docket No. 01-049-85 Order.
Qwest	UT	SGAT; Cost Docket 00-049-105 Reconsideration Effective 11/15/03 Cost Docket 01-049-85, Switching Portion. Effective 1/15/04 Docket 00-049-08 Third Voluntary Rate Reduction. Effective December 16, 2002 and reductions are reflected in the October 16, 2002 Exhibit A. Rates reaffirmed in Cost Docket No. 01-049-85 Order.
Qwest	UT	SGAT; Cost Docket 00-049-105 Reconsideration Effective 11/15/03 Cost Docket 01-049-85, Switching Portion. Effective 1/15/04 Docket 00-049-08 Third Voluntary Rate Reduction. Effective December 16, 2002 and reductions are reflected in the October 16, 2002 Exhibit A. Rates reaffirmed in Cost Docket No. 01-049-85 Order.
Qwest	WA	SGAT; Generic Cost Docket, UT-960369 Denotes voluntary rate reduction. These rates are not subject to true up and will be applied on a going forward basis. Deaveraged loop and subloop (distribution and feeder) rates are pursuant 37th supplemental order in Docket UT-003013.
Qwest	WA	SGAT; Generic Cost Docket, UT-960369 Denotes voluntary rate reduction. These rates are not subject to true up and will be applied on a going forward basis. Deaveraged loop and subloop (distribution and feeder) rates are pursuant 37th supplemental order in Docket UT-003013.
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Qwest	WA	SGAT; Generic Cost Docket, UT-960369 Denotes voluntary rate reduction. These rates are not subject to true up and will be applied on a going forward basis. Deaveraged loop and subloop (distribution and feeder) rates are pursuant 37th supplemental order in Docket UT-003013.
Qwest	WY	SGAT; Cost Docket 70000-TA-04-1023, effective 1/06/06
Qwest	WY	SGAT; Cost Docket 70000-TA-04-1023, effective 1/06/06
Qwest	WY	SGAT; Cost Docket 70000-TA-04-1023, effective 1/06/06
Qwest	WY	SGAT; Cost Docket 70000-TA-04-1023, effective 1/06/06
VZ	NY	VZ NY Tariff No 8 Sec 35 (10-15-2 Order in 98-C-1357 etc.)
VZ	NY	VZ NY Tariff No 8 Sec 35 (10-15-2 Order in 98-C-1357 etc.)
VZ	PA	PA PUC Tariff No 216 Sec 6 (referencing docket R-00016683)
VZ	PA	PA PUC Tariff No 216 Sec 6 (referencing docket R-00016683)
VZ	MI	Granite 2003 ICA (Case No. U-11832 rates)
VZ	MI	Granite 2003 ICA (Case No. U-11832 rates)
VZ	OH	Granite 2003 ICA (AT&T arbitration; 1996; Docket No. 96-832-TP-ARB)

LEC	State	Rate Source
VZ	OH	Granite 2003 ICA (AT&T arbitration; 1996; Docket No. 96-832-TP-ARB)
VZ	TX	Access Point ICA (2008) (Rates based on MCI/AT&T arb)
VZ	TX	Access Point ICA (2008) (Rates based on MCI/AT&T arb)
VZ	VA	VA UNE list (VA Arb Order Erratum App A)
VZ	VA	VA UNE list (VA Arb Order Erratum App A)
VZ	WA	Tariff WN U-21 UNE (UNE docket UT-023003)
VZ	WA	Tariff WN U-21 UNE (UNE docket UT-023003)
VZ	MD	VZ Compliance Price List Case 8879 (filed per Order 79696)
VZ	MD	VZ Compliance Price List Case 8879 (filed per Order 79696)
VZ	NJ	VZ Recurring Rate Schedule Attachment A (DOCKET No. T000060356)
VZ	NJ	VZ Recurring Rate Schedule Attachment A (DOCKET No. T000060356)
VZ	CA	CA PUC Decision 07-40-091 (final rates in VZ UNE case 93-04-003)
VZ	CA	CA PUC Decision 07-40-091 (final rates in VZ UNE case 93-04-003)
VZ	CA	CA PUC Decision 07-40-091 (final rates in VZ UNE case 93-04-003)
VZ	CA	CA PUC Decision 07-40-091 (final rates in VZ UNE case 93-04-003)
VZ	DE	DE Docket 96-324 (Exhibit D of Order 4542 upheld by appeal)
VZ	DE	DE Docket 96-324 (Exhibit D of Order 4542 upheld by appeal)
VZ	OR	ELI ICA App 2 Pricing (referencing OR PUC UM # 844)
VZ	OR	ELI ICA App 2 Pricing (referencing OR PUC UM # 844)
VZ	MA	MA Tariff No 17 Sec C and M (UNE case DTE 01-20)
VZ	MA	MA Tariff No 17 Sec C and M (UNE case DTE 01-20)
VZ	IL	ICA with 360 (rate based on AT&T-VZ ICA arb; Order dated December 3, 1996, in 96-AB-005)
VZ	IL	ICA with 360 (Order 00-0812. These UNE rates became effective on August 1, 2006)
VZ	DC	Price List following Order 12610 in formal case 962
VZ	DC	Price List following Order 12610 in formal case 962
EQ	FL	docket 990649A-TO, order PSC-03-0058-FOF-TP (1/8/3) (matches rates in EQ recently submitted ICAs)
EQ	FL	docket 990649A-TO, order PSC-03-0058-FOF-TP (1/8/3) (matches rates in EQ recently submitted ICAs)
EQ	FL	docket 990649A-TO, order PSC-03-0058-FOF-TP (1/8/3) (matches rates in EQ recently submitted ICAs)
EQ	FL	docket 990649A-TO, order PSC-03-0058-FOF-TP (1/8/3) (matches rates in EQ recently submitted ICAs)
EQ	FL	docket 990649A-TO, order PSC-03-0058-FOF-TP (1/8/3) (matches rates in EQ recently submitted ICAs)

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September 26, 2008

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 - 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation – WC Docket 07-135

Dear Ms. Dortch:

OmniTel Communications, a rural competitive local exchange carrier (“CLEC”) under the Commission’s access charge rules, has participated in the above-referenced docket by filing comments and by meeting with Commission staff, including through its representatives on several occasions. OmniTel contends -- and believes there is considerable support for the proposition -- that there is only one fundamental issue to be addressed in this proceeding: whether the rates a LEC charges interexchange carriers (“IXCs”) for switched access services when that LEC originates and or terminates large volumes of traffic are just and reasonable under Section 201(b) of the Communications Act of 1934, as amended.¹ Other issues that have been raised by parties in this rulemaking proceeding are largely superfluous and distract from this central issue.²

¹ 47 U.S.C. § 201(b)

² Among the subordinate issues that are “red herrings” in this rulemaking proceeding are the types of businesses in which LECs’ customers engage and whether LECs and their customers have any sort of commission, marketing fee, or revenue sharing arrangement. Having characterized these issues in this manner, OmniTel submits further that there may be, in certain cases, additional issues requiring a factual inquiry, which cannot properly be addressed in this generic proceeding but should be handled in specific complaint settings. These issues may concern, for example, whether any particular CLEC is a rural

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In the 2001 *CLEC Access Charge Order*,³ the Commission ruled that rural CLECs may assess switched access rates up to the rates of the competing rural incumbent local exchange carrier or, if the competing incumbent is not a rural carrier, the CLEC may set its rates up to the NECA's highest rate band for local switching (the so-called "rural exemption").⁴ In establishing these rules, the FCC determined, in effect, that rates at or below the applicable benchmarks were *per se* just and reasonable. By the same token, rural CLECs that wish to charge rates above the benchmarks have been able to do so under the Commission's rules, but only outside the tariffing process, *i.e.*, through carrier-to-carrier contracts.⁵

In its 2004 reconsideration of the *CLEC Access Charge Order*,⁶ the FCC specifically rejected a request to allow CLECs to tariff higher rates or obtain arbitration of higher proposed rates when unable to negotiate them on the basis of cost justification. The FCC emphasized that, from henceforth, it was regulating CLEC rates based on market factors, not cost factors.⁷

In the pending "traffic stimulation" rulemaking proceeding (WC Docket 07-135), certain IXC's allege that allowing CLECs to set rates on the foregoing benchmarks provides an incentive for rural CLECs to engage in so-called "traffic stimulation" activities, which the IXC's believe render CLEC access charge rates objectionable, even though they comply with the rural CLEC access charge rules. In short, the IXC's seek a ruling from the Commission that the current rules are no longer consistent with the public interest and are not being employed as originally intended when rural CLECs sign up end users with large amounts of interexchange traffic. As relief in this proceeding, the IXC's seek a change in the rules that reduce the

CLEC and therefore qualifies to participate in the FCC's CLEC access charge rules, what specific CLEC access charge tariff terms and conditions might apply to the network configuration in which access charges are being assessed, and whether there is an affiliation between a CLEC and a particular customer.

³ *In the Matter of Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers, Seventh Report and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 96-262, rel. April 27, 2001. ("CLEC Access Charge Order")

⁴ 47 C.F.R. § 61.26 ("CLEC Access Charge Rules")

⁵ *CLEC Access Charge Order* at ¶ 40.

⁶ *In the Matter of Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers, Petition of Z-Tel Communications, Inc. For Temporary Waiver of Commission Rule 61.26(d) to Facilitate Deployment of Competitive Service in Certain Metropolitan Statistical Areas*, CC Docket No. 96-262 and CCB/CPD File No. 01-19, rel. May 18, 2004.

⁷ *Id.* ¶ 57.

Marlene H. Dortch
September 26, 2008
Page Three

permissible levels of switched access charges when rural CLECs terminate large numbers of interstate interexchange minutes. Numerous IXC's have submitted comments and *ex parte* letters and presentations in this proceeding proposing new benchmarks to deal with the alleged traffic stimulation, but none of these are supported by sufficient evidence to allow the Commission to adopt the proposed rates (and the conditions in which they apply) as the basis for a new rule. Instead, these proposals assume that a CLEC subject to the current rules with large amounts of incoming interexchange traffic is acting unlawfully and then impose arbitrary limits and propose that such CLECs may assess access charges only at NECA Band 1 rates, at the high end, or a few tenths of a cent per minute, on the low end. Notably, having no evidence to support these proposed levels, these suggested rule changes essentially abandon the market-based principles the Commission's rural CLEC access charge rules were designed, as explained above, to reflect.

As OmniTel's representatives have indicated to the staff in prior meetings in this docket, OmniTel has been negotiating with individual IXC's on the prospective access rate that it will charge and that the IXC will pay for so-called "stimulated traffic." With certain IXC's, OmniTel has found these negotiations to be productive, and settlements (which are confidential) have resulted from the parties' joint efforts. With other IXC's, negotiations continue. OmniTel believes the Commission should view the existence of such agreements as persuasive evidence that, even with their divergent interests, rural CLECs and IXC's operating in an environment with the current Commission rules can settle their disputes and arrive at market-based arrangements for the provision of future access services for so-called "stimulated traffic" without the imposition of additional regulation. In other words, no Commission action in this proceeding is warranted.

However, should the Commission determine that it needs to alter the current access charge rules for rural CLECs, it should impose rates in cases where there is so-called "stimulated traffic" based upon the best evidence available, that is the rates actually agreed upon by the IXC's and CLECs in prospective rate agreements. To that end, to settle their recently-filed disputes regarding both interstate and intrastate access charges reflected in both federal court in the Eastern District of Virginia and before the State of Iowa Department of Commerce Utilities Board ("IUB"), OmniTel and Verizon recently entered into an agreement covering prospective rates through July 2011. The heart of the deal is that "(i) OmniTel agreed, as part of a comprehensive set of negotiated trade-offs, to charge Verizon a single composite rate for originating and terminating intrastate and interstate switched access traffic for the next three years; and (ii) Verizon agreed, based on the same set of negotiated factors, to make a lump-sum payment to OmniTel to settle the 'past-due' amount."⁸ In response to a filing from Verizon to

⁸ *Verizon's Supplemental Filing Regarding Dismissal of Respondent OmniTel*, State of Iowa Department of Commerce Iowa Utilities Board, Docket No. FCU-08-11, Aug. 21, 2008 at 4. ("Supplemental Filing") A copy of the *Supplemental Filing* is attached hereto.

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September 26, 2008
Page Four

dismiss the litigation it commenced against OmniTel, the IUB directed OmniTel to make that rate and the terms and conditions of its agreement with Verizon, as they apply to intrastate services, available to all other customers of OmniTel's intrastate switched access telecommunications services. On September 24, 2008, OmniTel filed with the IUB the attached amendment to its intrastate tariff, which reflects its agreement with Verizon. As a result, the rate and terms and conditions of that agreement will be available to all other interexchange carriers. The going-forward "single composite rate" for the provision of access services to its IXC customers in this tariff amendment is \$0.014/minute of use – regardless of the amount of traffic exchanged between the LEC and IXC. This rate is comparable to typical access charges (inclusive of local switching, transport, and other applicable charges) that apply currently for carriers entitled to bill at NECA Band 1 rates.⁹

This rate is based on expectations from both Verizon and itself that OmniTel will continue to provide service to entities, like conference call companies and chat line companies, whose own customers generate large amounts of interexchange traffic terminated by OmniTel. This rate is appropriate for the FCC to use as a *per se* lawful default rate for rural CLECs providing access services to IXCs exchanging large volumes of interstate interexchange traffic in the event the CLEC and IXC cannot negotiate a rate.

For rural CLECs who do not terminate so-called "stimulated traffic" or otherwise do not experience relatively large traffic volumes, there is no reason to believe – and no evidence has been placed in the record to demonstrate – that the current benchmark and exemption of the *CLEC Access Charge Rules* should be altered. Therefore, the Commission should establish a threshold based on monthly minutes of terminating traffic before this new rate becomes effective. Based on *ex parte* submissions from other interested parties in this proceeding, including IXCs, and its own knowledge of traffic levels for rural CLECs, OmniTel submits that this threshold should be set at 2,000 minutes of use per month for each access line. If a CLEC exceeds this threshold, then the default composite rate of \$0.014/minute of use should apply, unless the parties negotiate another rate.

We request that this letter, which is being filed electronically, be placed in the file for the above-captioned proceeding.

⁹ Verizon states in its *Supplemental Filing* that "its basis for settling based on a modification of OmniTel's going-forward rate is that Verizon seeks to stop OmniTel's traffic pumping and other illegal conduct by reducing OmniTel's incentives to engage in arbitrage." *Id.*

KELLEY DRYE & WARREN LLP

Marlene H. Dortch
September 26, 2008
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Please contact the undersigned if there are any questions.

Sincerely,



Thomas Cohen
Edward A. Yorkgitis, Jr.
Kelley Drye & Warren LLP
3050 K Street, NW
Suite 400
Washington, DC 20007
Tel. (202) 342-8518
Fax. (202) 342-8451

Counsel for OmniTel Communications

Enclosure: OmniTel Contract Tariff Filing of September 23, 2008 with the State of Iowa
Department of Commerce Utilities Board
Verizon's Supplemental Filing Regarding Dismissal of Respondent OmniTel of
August 21, 2008 with the State of Iowa Department of Commerce Utilities Board

cc: A. Bender
S. Deutchman
S. Bergmann
G. Orlando
N. Alexander
D. Stockdale
J. McKee
A. Lewis
J. Hunter
P. Arluk
L. Engledow
V. Goldberg

TRANSMITTAL

FILED WITH
Executive Secretary

SEP 24 2008

IOWA UTILITIES BOARD

Date: September 24, 2008

Company Name: BTC Inc. d/b/a Western Iowa Networks, OmniTel
Communications, Inc. and Premier
Communications, Inc.

Subject Matter: Notice of Tariff Amendment Pursuant to Board
Order Dated August 29, 2008

Person to Contact: Robert F. Holz, Jr.
DAVIS, BROWN, KOEHN, SHORS &
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Facsimile: (515) 243-0654
Email: bobholz@davisbrownlaw.com

Initial Filing: No

Docket Number: FCU-08-11

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

FILED WITH
Executive Secretary

SEP 24 2008

IOWA UTILITIES BOARD

MCI metro Transmission Access)	
Transmission Services LLC d/b/a Verizon)	
Access Transmission Services and MCI)	
Communications Services, Inc. d/b/a)	
Verizon Business Services,)	
)	
Complainants)	DOCKET NO. FCU-08-11
)	
v.)	
)	
BTC Inc. d/b/a Western Iowa Networks,)	
OmniTel Communications, Inc.)	
and Premier Communications, Inc.)	
)	
)	
Respondents)	

NOTICE OF TARIFF AMENDMENT
PURSUANT TO BOARD ORDER DATED AUGUST 29, 2008

Consistent with the Board's Order dated August 29, 2008 entitled: "Order Granting Request for Dismissal of Omnitel, Subject to Conditions, and Granting Joint Request for Extension of Time" (the "Order"), in Docket FCU-08-11 (the "Proceeding"), and as more fully described below, OmniTel Communications, Inc. ("Omnitel") has filed an amendment to its intrastate access services tariff.

In the Order, the Board conditionally granted the request by Verizon to dismiss Omnitel from the Proceeding pursuant to a settlement agreement between Verizon and

OmniTel. The Board's condition for OmniTel's final dismissal was that OmniTel specify and file the Verizon negotiated access rate as a part of OmniTel's access tariff, make that rate available to all qualifying interexchange carriers and obtain approval of the rate by operation of law or by the Board.

OmniTel concurs with the Effective Access Tariffs as filed by the Iowa Telecommunications Association in the State of Iowa (the "Tariff"), with certain exceptions. OmniTel continues to concur in the Tariff but, consistent with the Board's Order, amends its concurrence by adding a new exception 3, entitled "Contract Offer." A copy of its proposed amended tariff is attached.

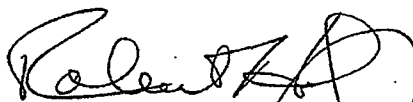
Under the new exception 3 Contract Offer, OmniTel will charge qualifying Interexchange carriers (IXCs) a "Single Composite Rate" of \$.014 per minute of use for "OmniTel Contracted Services" as that term is defined in the new exception, provided that the IXCs meet certain terms and conditions. IXCs may meet those terms and conditions and qualify for the Single Composite Rate by entering into a contract with OmniTel, substantially in the same form as the contract attached as Exhibit A to the Contract Offer.

The Single Composite Rate is the same \$.014 per minute of use access rate negotiated between Verizon and OmniTel in the OmniTel-Verizon settlement agreement and applies to the same scope of services. As Verizon noted in its supplemental filing to the Board dated August 21, 2008, the access rate agreed upon by OmniTel and Verizon was part of a comprehensive set of negotiated trade-offs reflected in the terms and conditions of the OmniTel-Verizon settlement agreement. The terms

and conditions of exception 3 to the proposed tariff are consistent with those of the settlement agreement.

Accordingly, OmniTel respectfully requests that, upon the amendment to the Tariff, exception 3 entitled "Contract Offer", taking effect, the Board simultaneously grant Verizon's previously requested dismissal of OmniTel from this proceeding with prejudice. Omnitel is authorized to state that Verizon respectfully joins in the foregoing request.

Respectfully submitted,



Robert F. Holz, Jr.
DAVIS, BROWN, KOEHN, SHORS &
ROBERTS, P.C.
The Davis Brown Tower
215 10th Street, Suite 1300
Des Moines, IA 50309
Telephone: 515-288-2500
Firm Fax: 515-243-0654
Email: bobholz@davisbrownlaw.com

ATTORNEYS FOR
OMNITEL COMMUNICATIONS, INC.

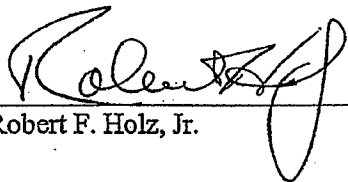
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on the following persons and parties as required by the rules of the Iowa Utilities Board:

John R. Perkins
Office of Consumer Advocate
310 Maple Street
Des Moines, IA 50319-0063

Bret A. Dublinske
Dickinson, Mackaman, Tyler & Hagen, P.C.
699 Walnut Street, Suite 1600
Des Moines, IA 50309

Dated this 24th day September, 2008.


Robert F. Holz, Jr.

OmniTel Communications, Inc.

TELEPHONE TARIFF

PART VII

Filed with Board

First Revised
Cancels Original

Sheet No. 78
Sheet No. 78

ACCESS SERVICES CONCURRENCE

A. CONCURRENCE IN RATES AND CHARGES OF NATIONAL EXCHANGE CARRIER ASSOCIATION TARIFF F.C.C. NO. 3, 4, AND 5 AS FILED BY THE IOWA TELECOMMUNICATIONS ASSOCIATION ACCESS SERVICE TARIFF NO. 1

1. OmniTel Communications, Inc. concurs in the Effective Access Tariffs as filed by the Iowa Telecommunications Association in the State of Iowa.

B. EXCEPTIONS TO IOWA TELECOMMUNICATIONS ASSOCIATION ACCESS SERVICE TARIFF NO. 1.

1. OmniTel Communications, Inc. does not concur with Iowa Telephone Association Access Service Tariff No. 1, Section 1.2.2 (E)(1). The OmniTel Communications, Inc. Common Line rate per access minute of use shall be \$0.00. This change is effective May 19, 2004 in compliance with Iowa Utilities Board order in Docket No. RMU-03-11, Intrastate Access Service Charges [199 IAC 22.14(2)"d"(1)], issued March 18, 2004.

2. Service under this tariff is subject to a Carrier Common Line charge of \$0.03 per minute of use from and after May 19, 2004 to be subsequently billed if the Orders of the Iowa Utilities Board requiring removal of the \$0.03 per minute of use Carrier Common Line charge are subsequently overturned.

3. Contract Offer -

Notwithstanding anything in this Tariff that may be to the contrary, an interexchange carrier may obtain a "Single Composite Rate" of \$0.014 per minute of use for the access services contracted by entry into a Contract with OmniTel substantially in the same form as Exhibit A hereto (hereafter the "Contract"), pursuant to the following terms and conditions:

(N)
↓

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date Date

BY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

ACCESS SERVICES CONCURRENCE

3. Contract Offer – (Continued)

(N)

(A) Scope

Commencing pursuant to the terms of the Contract and as provided herein and ending with the service period(s) included on OmniTel invoices dated July 1, 2011, to any eligible interexchange carrier that elects to enter into a Contract in accordance with the requirements set forth below, OmniTel will charge for "OmniTel Contracted Services" a Single Composite Rate of \$0.014 per minute of use ("\$0.014/mou") (hereafter the "Single Composite Rate"). "OmniTel Contracted Services" means intrastate interexchange traffic (a) delivered by [Name of Interexchange Carrier ("the IXC")] to OmniTel for delivery to customers of OmniTel or (b) originated by customers of OmniTel and delivered by OmniTel to the IXC commencing with the effectiveness of the Single Composite Rate in accordance with the terms of the Contract. OmniTel and the IXC agree that the Single Composite Rate of \$0.014 per minute of use for originating and terminating intrastate traffic includes without limitation local switching, carrier common line, transport facility (mileage) for tandem-host or host-remote, transport termination for tandem-host or host-remote, common trunk port for tandem-host or host-remote, information surcharge, residual interconnection charge, SS7 Signaling, and 800 database queries.

(B) Eligibility

Each IXC who executes the Contract will be eligible to obtain the Single Composite Rate from OmniTel, in accordance with the terms of the Contract.

(C) Terms and Conditions

1. Within ten (10) days of executing the Contract, and as a condition precedent to the Single Composite Rate becoming effective, the IXC shall have made all necessary payments to OmniTel to bring current all outstanding invoices for "OmniTel Services" provided by OmniTel to the IXC through and including the service period covered by invoices dated sixty (60) days or more prior to the execution of the Contract (such invoices, referred to as "Outstanding Invoices"). "OmniTel Services" means the services that the IXC has used and that OmniTel invoiced as intrastate switched access services on the Outstanding Invoices. As provided in the Contract, the IXC shall agree that, upon paying the Outstanding Invoices as above, the IXC shall not bring any action, suit, or legal challenge against OmniTel regarding OmniTel's Services (or charges related to such OmniTel Services) and shall release OmniTel from any claims, liability, and causes of action related to such OmniTel Services and charges.

ISSUED: September 24, 2008
Date

EFFECTIVE: October 24, 2008
Date

BY: Ronald J. Laudner, Jr.
Name

Manager
Title

Nora Springs, Iowa 50458
Address

ACCESS SERVICES CONCURRENCE

(C) Terms and Conditions (Continued)

(N)

2. Within five (5) days of executing the Contract, and as a further condition precedent to the Single Composite Rate becoming effective, the IXC shall have filed a pleading to dismiss with prejudice each and every pending proceeding, if any, before any agency or court against OmniTel relating to any dispute with OmniTel over OmniTel Services.
3. Upon payment by the IXC of the Outstanding Invoices for OmniTel Services per paragraph 1 above, and, if applicable and as a further condition precedent to the Single Composite Rate becoming effective, once every agency or court dismisses every pending proceeding (or other action), if any, with prejudice per paragraph 2 above, a \$0.014/mou rate for all OmniTel Contracted Services shall take effect and shall apply prospectively to each future invoice for service periods after those included in the Outstanding Invoices through and including the service period covered by OmniTel's July 1, 2011 invoices, as follows:
 - (i) The prospective rate for OmniTel Contracted Services through the service period covered by OmniTel's July 1, 2011 invoices will be a Single Composite Rate of \$0.014/mou (and no other charge).
 - (ii) Once the \$0.014/mou rate becomes effective, invoices for services invoiced by OmniTel as switched access services dated prior to the date that the Single Composite Rate becomes effective for service periods postdating the service periods included in the Outstanding Invoices will be restated at \$0.014/mou and will be due within thirty (30) days of the restated invoice date, inclusive. Such services as are subject to this subparagraph (ii) shall otherwise be considered OmniTel Contracted Services for purposes of the Contract.
4. As provided in the Contract, OmniTel shall, for the duration of the service periods covered up to and including the service period(s) included on OmniTel invoices dated July 1, 2011, continue to designate as its point of interconnection with Iowa Network Services ("INS") its existing point of interconnection, so that the IXC may continue to deliver all interexchange traffic to OmniTel through INS at that point and receive all interexchange traffic from OmniTel through INS at that point.

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date DateBY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

ACCESS SERVICES CONCURRENCE

(C) Terms and Conditions (Continued)

(N)

5. By executing the Contract and as provided therein, the IXC may not "challenge" OmniTel's invoices relating to or reflecting the \$0.014/mou rate for OmniTel Contracted Services except that the IXC could reserve its right to challenge in good faith charges submitted by OmniTel for (i) errors in volumes of traffic or (ii) errors in calculations, or (iii) types of arrangements for traffic not involving "Third Parties." "Third Parties" mean free or low rate conference calling companies, free or low rate conference calling service companies, and chat line companies. The IXC may not challenge interexchange traffic that OmniTel exchanges with the IXC and that OmniTel also delivers to or receives from "Third Parties" as not being OmniTel Contracted Services or as being illegal or not compensable as OmniTel Contracted Services under the Contract or otherwise for any reason whatsoever. The term "challenge" is used in its broadest sense to mean bringing any type of action, suit, or legal challenge or dispute against OmniTel, involving any type of claim, before any type of decision maker.
6. As provided in the Contract, the obligations of OmniTel and the IXC to adhere to and accept the Single Composite Rate of \$0.014/mou for OmniTel Contracted Services and the other terms, and conditions set forth in the Contract through the service period(s) covered by OmniTel's July 1, 2011 invoices will be unaffected by IUB and Federal Communications Commission orders, rules, or other determinations issued after the date of execution of the Contract, including but not limited to interpretations of the term "switched access traffic," if any, as may be found elsewhere in this Tariff.
7. In accordance with the terms of the Contract, the IXC and OmniTel each release all claims against the other related to OmniTel Services.
8. OmniTel and the IXC shall cooperate to take all necessary or appropriate actions to give full force and effect to the Contract and the IXC's election to take the service plan offered hereby.

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date Date

BY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

OmniTel Communications, Inc.

TELEPHONE TARIFF

PART VII

Revised

Sheet No.

82

Filed with Board

Cancels

Sheet No.

ACCESS SERVICES CONCURRENCE

Exhibit "A"

(N)

CONTRACT

OmniTel and [IXC] (individually a "Party" and collectively the "Parties") hereby execute this Contract (the "Contract") in accordance with [cite to provisions of Tariff amendment], on [date];

RECITALS

WHEREAS, OmniTel is a local exchange carrier that provides, among other services, switched access service to interexchange carriers;

WHEREAS, [Name of IXC] and OmniTel wish to enter into this Contract for the provision and invoicing by OmniTel to [Name of IXC] of "OmniTel Contracted Services" (as defined herein);

WHEREAS, the Parties wish for OmniTel to charge [Name of IXC] the "Single Composite Rate" (as defined herein) for "OmniTel Contracted Services" in accordance with the terms and conditions of this Contract;

WHEREAS, the State of Iowa Department of Commerce Utilities Board ("IUB") has approved the offer contained in this Contract on [add date];

NOW THEREFORE, in consideration of the mutual promises and obligations contained herein, the sufficiency of which is acknowledged by the Parties, the Parties agree as set forth below.

ISSUED: September 24, 2008
Date

EFFECTIVE: October 24, 2008
Date

BY: Ronald J. Laudner, Jr.
Name

Manager
Title

Nora Springs, Iowa 50458
Address

ACCESS SERVICES CONCURRENCE

MUTUAL PROMISES AND OBLIGATIONS

(N).

1. Recitals: The foregoing Recitals are incorporated into and made a part of this Contract.

2. Payment: Within ten (10) days of executing the Contract, and as a condition precedent to the "Single Composite Rate" (as defined herein) becoming effective, [Name of IXC] shall have made all necessary payments to OmniTel to bring current all outstanding invoices for "OmniTel Services" provided by OmniTel to [Name of IXC] through and including the service period covered by invoices dated sixty (60) days or more prior to the execution of this Contract (such invoices, referred to as "Outstanding Invoices"). "OmniTel Services" means the services that the IXC has used and that OmniTel invoiced as intrastate switched access services on the Outstanding Invoices.

3. Dismissal of Any Pending Litigation: Within five (5) days of executing the Contract, and as a further condition precedent to the Single Composite Rate becoming effective, [Name of IXC] shall have filed a pleading to dismiss with prejudice each and every pending proceeding, if any, before any agency or court against OmniTel relating to any dispute with OmniTel over OmniTel Services.

4. Single Composite Rate for OmniTel Services Provided by OmniTel for Originating or Terminating Intrastate Access Traffic Until July 1, 2011 Invoices:

Upon fulfillment of all the conditions precedent in Sections 2 and 3, and as a further condition precedent to the Single Composite Rate becoming effective, once every agency or court dismisses every pending proceeding (or other action) against OmniTel, if any, with prejudice per Section 3 above, then:

(i) OmniTel will charge [Name of IXC] for "OmniTel Contracted Services" a Single Composite Rate of \$0.014 per minute of use ("\$0.014/mou") (hereafter the "Single Composite Rate"). "OmniTel Contracted Services" means intrastate interexchange traffic (a) delivered by [Name of IXC] to OmniTel for delivery to customers of OmniTel or (b) originated by customers of OmniTel and delivered by OmniTel to [Name of IXC] commencing with the effectiveness of the Single Composite Rate in accordance with the terms of this Contract. OmniTel and [Name of IXC] agree that the Single Composite Rate of \$0.014 per minute of use for originating and terminating intrastate traffic includes without limitation local switching, carrier common line, transport facility (mileage) for tandem-host or host-remote, transport termination for tandem-host or host-remote, common trunk port for tandem-host or host-remote, information surcharge, residual interconnection charge, SS7 Signaling, and 800 database queries.

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date Date

BY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

ACCESS SERVICES CONCURRENCE

4. Single Composite Rate for OmniTel Services Provided by OmniTel for Originating or Terminating Intrastate Access Traffic Until July 1, 2011 Invoices (Continued)

(N)

(ii) The prospective rate for OmniTel Contracted Services through the service period covered by OmniTel's July 1, 2011 invoices will be a Single Composite Rate of \$0.014/mou (and no other charge).

(iii) Once the \$0.014/mou rate becomes effective, invoices for services invoiced by OmniTel as switched access services dated prior to the date that the Single Composite Rate becomes effective for service periods postdating the service periods included in the Outstanding Invoices will be restated at \$0.014/mou and will be due within thirty (30) days of the restated invoice date, inclusive. Such services as are subject to this subparagraph (iii) shall otherwise be considered OmniTel Contracted Services for purposes of this Contract.

5. Retention of Existing Interconnection Point: OmniTel shall, for the duration of the service period covered up to and including OmniTel's July 1, 2011 invoices, continue to designate as its point of interconnection with Iowa Network Services ("INS") its existing point of interconnection, so that the [Name of IXC] may continue to deliver all interexchange traffic to OmniTel through INS at that point and receive all interexchange traffic from OmniTel through INS at that point.

6. Effect of FCC OR IUB Order; Agreement Not to Challenge:

a. The Parties' obligations to adhere to and accept the Single Composite Rate of \$0.014/mou and the other terms, and conditions set forth in this Contract through the service period(s) covered by OmniTel's July 1, 2011 invoices will not be affected by any IUB or Federal Communications Commission or order, rule, or other determination issued after the date of this Contract, including but not limited to interpretations of the term "switched access traffic," if any, as may be found in OmniTel's intrastate tariff.

b. By executing this Contract and as provided herein, [Name of IXC] may not "challenge" OmniTel's invoices relating to or reflecting the \$0.014/mou rate for OmniTel Contracted Services except that [Name of IXC] reserves its right to challenge in good faith charges submitted by OmniTel for (i) errors in volumes of traffic or (ii) errors in calculations, or (iii) types of arrangements for traffic not involving "Third Parties." "Third Parties" mean free or low rate conference calling companies, free or low rate conference calling service companies, and chat line companies. [Name of IXC] may not challenge interexchange traffic that OmniTel exchanges with the [Name of IXC] and that OmniTel also delivers to or receives from "Third Parties" as not being OmniTel Contracted Services or as being illegal or not compensable as OmniTel Contracted Services under the Contract or otherwise for any reason whatsoever. The term "challenge" is used in its broadest sense to mean bringing any type of action, suit, or legal challenge or dispute against OmniTel, involving any type of claim, before any type of decision maker.

ISSUED: September 24, 2008
Date

EFFECTIVE: October 24, 2008
Date

BY: Ronald J. Laudner, Jr.
Name

Manager
Title

Nora Springs, Iowa 50458
Address

ACCESS SERVICES CONCURRENCE

6. Effect of FCC OR IUB Order; Agreement Not to Challenge (Continued)

(N)

c. [Name of IXC] agrees not to bring any action, suit, or legal challenge against OmniTel for OmniTel Services (or the invoices related to such services).

7. Release: OmniTel and [Name of IXC] their predecessors, successors, parents, direct subsidiaries, indirect subsidiaries, affiliates, assigns, heirs and agents, release and forever discharge each other, and each of their respective owners, members, managers, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, direct and indirect parent companies, divisions, direct and indirect subsidiaries, affiliates, related companies or other representatives, and independent contractors, whether current, former, or future, and all persons or entities acting by, through, under or in concert with any of them, from any and all actions, causes of action, claims, suits, debts, damages, judgments, liabilities, demands and controversies whatsoever, whether matured or unmatured, whether at law or in equity, whether before a local, state or federal court or state or federal administrative agency or commission, and whether now known or unknown, liquidated or unliquidated, that they now have or may have had, or thereafter claim to have had, related to OmniTel Services.

8. Effectiveness of Release: The Parties agree that the Release in Section 7 in this Contract shall be fully and finally legally effective upon fulfillment of [Name of IXC]'s obligations under Section 2 and dismissal with prejudice of any and all pending litigation pursuant to Section 3.

9. Binding Agreement: This Contract is binding on the Parties and their respective successors, heirs, legal representatives, and assigns. The person executing this Contract on behalf of OmniTel, and the person executing this Contract on behalf of [Name of IXC], each represents and warrant that he or she is duly authorized to execute and deliver this Contract on behalf of said Party, and that this Contract is binding on said Party.

10. Governing Law: The Contract, including all matters of construction, validity, and performance shall be governed by, and construed in accordance with, the laws of Iowa without giving effect to the choice of law or conflicts of law provisions thereof.

11. Cooperation: The Parties agree to cooperate fully, to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Contract.

12. Counterparts: This Contract may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date Date

BY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

ACCESS SERVICES CONCURRENCE

13. Construction: The Parties acknowledge, represent and warrant that each has been fully advised by its attorney(s) concerning the execution of this Contract, that each has fully read and understands the terms of this Contract, and that each has freely and voluntarily executed this Contract. Each Party has participated in the creation of this Contract. No legal principle interpreting the Contract against the drafter will apply.

14. Modification: This Contract may be modified only by a written document signed by both Parties.

15. No Waiver: No failure or delay by any Party in exercising any right, power, or privilege under this Contract shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

16. Notices: All notices, requests or other communications in connection with or relating to this Agreement must be in writing and sent by (a) certified mail, with return receipt requested, (b) Federal Express or other overnight service, or (c) both (i) by either facsimile or email *and* (ii) by regular mail. A notice shall be deemed to have been delivered on the date that it is received.

OmniTel will send all notices under this Contract to:

[]

[Name of IXC] will send all notices under this Contract to:

Ronald Laudner
OmniTel Communications, Inc.
608 East Congress
Nora Springs, IA 50458
Fax: (641) 749-9578

ISSUED: September 24, 2008 EFFECTIVE: October 24, 2008
Date Date

BY: Ronald J. Laudner, Jr. Manager Nora Springs, Iowa 50458
Name Title Address

Omnitel Communications, Inc.

TELEPHONE TARIFF

PART VII

Revised

Sheet No. 87

Filed with Board

Cancels

Sheet No.

ACCESS SERVICES CONCURRENCE

with a copy, which shall not constitute notice, to

Thomas Cohen
Edward A. Yorkgitis, Jr.
Kelley Drye & Warren LLP
3050 K Street, N.W., Suite 400
Washington D.C. 20007-5108
Fax: (202) 342-8451

IN WITNESS WHEREOF, the Parties have fully executed this Contract as of the date of
the last signature below.

OMNITEL COMMUNICATIONS, INC.

Signature

Printed Name

Title

Date

[NAME OF IXC]

Signature

Printed Name

Title

Date

ISSUED: September 24, 2008
Date

EFFECTIVE: October 24, 2008
Date

BY: Ronald J. Laudner, Jr.
Name

Manager
Title

Nora Springs, Iowa 50458
Address

(N)

**STATE OF IOWA
DEPARTMENT OF COMMERCE
IOWA UTILITIES BOARD**

<p>MCImetro Transmission Access Transmission Services LLC d/b/a Verizon Access Transmission Services and MCI Communications Services, Inc. d/b/a Verizon Business Services,</p> <p>Complainants</p> <p>v.</p> <p>BTC Inc. d/b/a Western Iowa Networks, OmniTel Communications, Inc. and Premier Communications, Inc.</p> <p>Respondents</p>	<p>DOCKET NO. FCU-08-11</p>
---	-----------------------------

**VERIZON'S SUPPLEMENTAL FILING REGARDING
DISMISSAL OF RESPONDENT OMNITEL**

On May 29, 2008, Verizon filed its Complaint in the above-captioned action against three CLECs. On July 25, 2008, Verizon informed the Board that Verizon and OmniTel had resolved their dispute. Pursuant to the terms of its settlement agreement with OmniTel, Verizon dismissed OmniTel from this proceeding with prejudice. On August 12, 2008, the Board issued an order holding OmniTel's dismissal in abeyance until Verizon makes a supplemental filing that satisfies the requirements of 199 IAC 7.18. The Board stated that Verizon's dismissal of OmniTel did not "contain a statement adequate to advise the Board and the parties not joining the proposal of the scope and grounds for settlement," and specifically stated that Verizon must indicate whether (i) the terms of its settlement with OmniTel are available to the non-settling parties and (ii) OmniTel will be required to file a revised tariff with the Board that complies with the terms of

the settlement. *See* Order Granting Motion for Extension and Holding Request for Dismissal in Abeyance, Docket No. FCU-08-11 (“Order”), at 3.

INTRODUCTION

This supplemental filing provides the information the Board has directed Verizon to provide, but Verizon does not concede that 199 IAC 7.18 applies in this complaint proceeding, where two private litigants have voluntarily settled a bilateral dispute between them. Instead, the rule is directed to cases where one or more parties contest a proposed settlement agreed to by other parties, and contemplates rate proceedings and other quasi-legislative cases where Board action is required and where multiple parties have an interest in a comprehensive settlement proposal. That is not the case here, where Verizon has brought separate claims against three separate CLECs. No party has contested the resolution of the dispute between Verizon and OmniTel and all of the respondents are represented by the same counsel. Moreover, requiring the disclosures the Board asserts are contemplated by 199 IAC 7.18 would discourage private settlements, causing litigants (and the Board) to waste resources litigating claims that could be resolved but for these new filing requirements.

The Board has consistently permitted and encouraged parties to enter into private settlement agreements like the one between Verizon and OmniTel, and it has not previously required settling parties to make the sort of filing requested of Verizon here. For example, when AT&T settled its claims against a subset of the respondents in another traffic pumping case before the Board, the Board accepted simple joint notices from AT&T and several respondents informing the Board that they “have settled their disputes at issue.”¹ The Board should not

¹ *See* Joint Notice of Intervenor AT&T and Respondent Farmers-Riceville, Docket No. FCU-07-02 (filed Jan. 29, 2008); Joint Notice of Intervenor AT&T and Respondent Reasnor, Docket No. FCU-07-02 (filed Jan. 31, 2008); Joint Notice of Intervenor AT&T and Respondent Interstate 35 Telephone Company, Docket No. FCU-07-02 (filed Apr. 18, 2008).

abandon its traditional pro-settlement policy with respect to bilateral disputes between private litigants.

To the extent the Board is seeking to ensure uniformity of settlement opportunities among all parties in the litigation, that policy interest does not apply to the facts of this particular case. There are no IXCs other than Verizon in this case, and it is clear from the other access cases before the Board that other IXCs are able to and have asserted their rights to challenge access practices of rural LECs. The two non-settling CLECs are represented by common counsel with OmniTel and do not need or seek application of 199 IAC 7.18. In short, there are no actual parties to this case to whom the Board's apparent policy concerns apply.²

However, without waiving its right to challenge the applicability of 199 IAC 7.18 to Verizon's dismissal of OmniTel, Verizon hereby provides the supplemental information the Board has requested.

DISCUSSION

A. The Scope and Grounds for the Verizon-Omnitel Settlement.

Verizon's complaint alleges that Respondents have employed one or more arbitrage schemes, including a "traffic pumping" scheme, to victimize Verizon to the tune of millions of dollars. Verizon initiated this proceeding to obtain relief from each of the schemes perpetrated by each Respondent, and has sought – consistent with the Board's policy favoring voluntary resolution of disputes – to settle its claims against them. The Verizon-Omnitel settlement agreement settles all of the disputes between the two parties and was entered into out of a mutual desire to avoid the necessity, expense, inconvenience, and uncertainty of litigation.

² AT&T's partial settlement in FCU-07-2 raises more compelling uniformity issues because that case involves several different IXC complainants and numerous LEC respondents – most of which are represented by separate counsel.

Confidentiality restrictions preclude Verizon from disclosing the precise terms of its settlement with OmniTel, but the scope and grounds for the Verizon-Omnitel settlement are (i) Omnitel agreed, as part of a comprehensive set of negotiated trade-offs, to charge Verizon a single composite rate for originating and terminating intrastate and interstate switched access traffic for the next three years; and (ii) Verizon agreed, based on the same set of negotiated factors, to make a lump-sum payment to Omnitel to settle the "past-due" amount that Omnitel claimed Verizon owed for payments that Verizon had withheld for charges associated with Omnitel's traffic pumping scheme.³ Verizon's basis for settling based on a modification of Omnitel's going-forward rate is that Verizon seeks to stop Omnitel's traffic pumping and other illegal conduct by reducing Omnitel's incentives to engage in arbitrage.

B. The Prospective Rates in the Verizon-Omnitel Settlement Are Available to BTC and Premier Provided That They Agree to Tailor Their Settlement Agreements Appropriately.

The non-settling parties, who are represented by the same counsel as Omnitel, are aware of the scope and grounds of the Verizon-Omnitel agreement. Verizon's settlement discussions with BTC and Premier have advanced more slowly than its settlement discussions with Omnitel, but Verizon is willing to use the Omnitel framework — including the same prospective composite rate — as a model for settling its claims against BTC and Premier, provided that the specifics of the settlement are tailored to each Respondent's relationship with Verizon.

Although each Respondent employed a similar arbitrage scheme to pump up traffic levels to Verizon, there are also differences regarding the nature of their conduct and the injury to

³ Several days after Verizon gave Omnitel courtesy notice of Verizon's intent to initiate the present litigation, Omnitel filed a complaint before the Federal District Court for the Eastern District of Virginia seeking payment of the switched access charges that Verizon had withheld. *See* Complaint and Demand For Jury Trial, *Bluegrass Telephone Company, Inc., Omnitel Communications, Inc., Tekstar Communications, Inc., The Farmers Telephone Company of Riceville, Iowa, Inc., v. MCI Communications Services, Inc. d/b/a/ Verizon Business Services*, Docket No. 1:08CV513GLB/TRJ (U.S. Dist. E.D. Va. filed May 21, 2008). Omnitel subsequently withdrew that complaint, the subject matter of which is covered by the parties' settlement agreement.

Verizon. For example, because each Respondent's traffic volumes and switched access rates with respect to Verizon are different, each Respondent's traffic pumping has resulted in different levels of billings to Verizon and different "past-due" amounts that Respondents claim Verizon owes them. *See* Complaint, ¶ 21, Exhibits A-C. Moreover, the alleged illegal transport routing schemes involve substantially different amounts of transport, and different facts regarding whether or not charges for interLATA transport were improperly assessed. *Id.*, ¶¶ 24-28.⁴

Those and other factual differences mean that the *exact* terms of the OmniTel-Verizon settlement cannot be applied to Verizon's possible settlements with BTC and Premier. However, Verizon would be willing to settle with BTC and Premier based on the same prospective composite switched access rate contained in the Verizon-Omnitel settlement, provided that BTC and Premier agree to a lump sum payment that is tailored to the facts relating to their specific conduct and purported "past-due" amounts.⁵

C. OmniTel Is Contractually and Legally Obligated to Make All Necessary Tariff or Other Filings.

The Board also appears to suggest that Verizon's dismissal filing was deficient because Verizon did not state "whether *Omnitel* will be required to file a revised tariff with the Board that complies with the terms of the settlement." Order at 3 (emphasis added). Nothing in 199 IAC 7.18 requires such a statement, and in any event Verizon is unable to respond on OmniTel's behalf. While OmniTel has not authorized Verizon to speak on its behalf, Verizon can state that under the settlement agreement, OmniTel agrees to make any regulatory or tariff filings that may be necessary to comply with the terms of the settlement agreement.

⁴ Also, some types of conduct – such as Premier's alleged status as a sham CLEC (*id.*, ¶ 32) – can affect each party's litigation prospects in ways that obviously inform the specifics of a possible settlement.

⁵ Of course, any settlement discussion with BTC or Premier based on the OmniTel settlement agreement would take place subject to the confidentiality restrictions in that agreement.

CONCLUSION

For the reasons set forth above, Verizon respectfully requests that the Board dismiss with prejudice Verizon's claims against OmniTel.

Respectfully submitted on August 21, 2008.

By:



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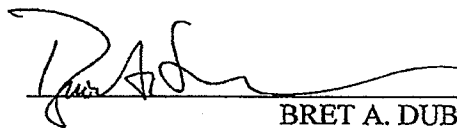
ATTORNEYS FOR VERIZON

CERTIFICATE OF SERVICE

I hereby certify that I have this day, August 21, 2008, served the foregoing document on the following persons in the method indicated below:

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